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USSR Report

INTERNATIONAL AFFAIRS

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19 AUGUST 1986

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SOCIALIST COMMUNITY AND CEMA AFFAIRS

IMPACT OF DIRECT TIES ON MODERNIZATION

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, 1986
pp 68-71

[Article by Candidate of Economic Sciences Roland Shepf, MIEP MSS [Computer Center of the International Institute of Economic Problems in the World Socialist System]: "The Significance of Direct Ties in Modernization and Renovation of Production"]

[Text] The necessity of direct ties between economic organizations of the CEMA member countries is dictated by tasks connected with the long-term directions of their cooperation and with more effective solution of problems of intensifying production and international specialization and cooperation. This underlies the great attention which the documents of the Economic Summit Conference devote to broadly developing production cooperation, to establishing direct ties between associations, enterprises, and organizations, to giving them necessary rights and powers, and to creating appropriate conditions in individual fraternal countries.

In recent years the CEMA member countries have effectively used direct ties for collaboration in joint reconstruction and modernization of like kinds of production capacity, and this has turned out to be a fruitful way of intensifying production. Its advantage lies in the complexity and interconnection of scientific and technical relationships, in joint rationalization of production and in international production specialization and cooperation. In the course of cooperation, unification and concentration of research, design and other potentials occur and closer correlation between the creation [sozdaniye] and the production of special equipment for rationalization, standardization of production, and organization of production specialization and cooperation is achieved.

The task of joint renovatation and modernization consists of improving the technological production processes of one or both partners and better meeting the needs of their countries, in reducing or halting imports from the capitalist countries, and also in increasing exports to third countries.

Direct ties between combines, associations and enterprises in East Germany and the USSR are being actively used for joint renovation and modernization of production, particularly in the light and food industries. Thus, during 1982-1983 alone, 22 intergovernmental agreements were signed, which envisage

the renovation of more than 50 enterprises producing industrial goods for the population.

An example of such ties can be found in the agreement concerning East German assistance in renovating the Floare factory in the city of Bendery (Moldavian SSR), which produces footwear with fabric uppers. East German's part in this collaboration consisted of developing the technological part of the project plan, delivering necessary sets of equipment, and carrying out start-up and adjustment work, and also of supplying basic and auxiliary materials and training worker and engineering and technical personnel.

The Moscow and the Tuering (Sul, East Germany) furniture combines are cooperating in improving production of chairs. The Soviet side is assisting in organizing production of bentwood chairs at the combine in East Germany and includes development of the technological process and delivery of equipment, while East Germany is helping to perfect production of prefabricated folding chairs at the Moscow combine, is assisting in preparation of technical proposals for mechanizing transport, finishing and packing of output, and is also delivering appropriate equipment.

More complex direct ties, when joint renovation is carried on in conjunction with production cooperation, are reflected in an agreement on renovation of a carpet factory in the city of Kishinev (USSR). It is envisaged that East Germany will supply materials for current production for a period of 15 years following completion of renovation work, while the USSR will supply carpets, which the Kishinev enterprise will specialize in producing.

Two intergovernmental and four interdeparmental agreements have been signed between the USSR and East Germany in the area of light industry, aimed at technically retooling this sector's productive capacities. The responsible organization for carrying out commercial activity on the East German side is the Textilmash foreign trade enterprise and its partner in the USSR is V/O Tekhnopromimport (sometimes V/O Tekhmashimport).

Thus, implementation of one of the agreements between the Moscow Textile and Haberdashery Association and the East German Deko combine will make it possible to increase production of elastic tape, while carrying out a second one will result in retooling 9 Soviet sewing enterprises in Moscow (two), Leningrad (two), Pyatigorsk, Gorlovka, Zaporozhe, Tashkent and Yerevan.

The Trikotagen Combine is assisting in the technical retooling of the Vostok knitted goods and glove factory, while the Fortschritt Footwear Combine is helping to reequip three footwear factories in Moscow and Leningrad.

Practice has shown that joint renovation and modernization are effective and mutually beneficial for intensification and technical renewal of production

when they envisage:

an exchange of experience in the renovation of enterprises and mutual provision of scientific and technical information, including know-how related to the modernization of production;

increased export of complete sets of equipment specifically designated for reconstruction projects;

cooperation of the specialized production enterprises and foreign trade organizations of the individual countries in modernization of technological processes, in creation of new, special equipment and in the development of updated or new final products;

interaction of cooperating collectives in the development, planning, and technical and economic justification of renovation and of improvements in systems of production organization and management;

coordination of purchases made on the markets of third countries of equipment and documentation necessary to the partners for joint renovation.

rental of special types of machinery and equipment for construction and reconstruction.

A comparative analysis of existing production processes, technologies and products, on the basis of an interdepartmental agreement which envisages an exchange of experience, serves as the starting information for joint modernization and renovation. Then, coordinated or joint measures are worked out and a contract is prepared and concluded. At the same time, the partners may conduct scientific research as well as organizational and design work, based on a division of labor, thereby reducing the time necessary to create and carrying out projects. A result, of no small importance, of joint renovation is specialized production of the means of rationalization and their exchange between the partners. One of the main effects is a saving in time for the development of scientific and technical plans and their application in production.

The volume, scales and character of renovation and modernization depend on their purposes and problems. The partners must devote great attention to working them out precisely, and also to defining the responsibilities of each participant and the time schedules for carrying out individual measures. They can be directed at complex renovation, at changing the production profile of an enterprise, at changing technology and at completely replacing production equipment. As a rule, they concern production of especially important national economic significance and require large resources and interdepartmental

coordination. On such occasions, international agreements are concluded on the council of ministers, state planning commission, and ministry level. Direct ties between collaborating economic organizations in this situation are established on the basis of a jointly prepared work program and foreign trade contracts.

Besides their use for large-scale joint renovation and modernizations, direct ties are also arranged for technical improvement of individual units or technological equipment lines, etc. Proposals concerning such measures are jointly worked out by the partners in the form of technical and economic justifications which are submitted to a superior organ for conclusion of an interdepartmental understanding or agreement, of a universal annual contract between the given economic organizations on the basis of the rights and powers which have been given them. Usually the partners carry out measures of this type by their own efforts, i.e. without bringing in other collaborators, on the basis of direct scientific and technical and production ties. Their importance is growing in connection with the formation, within the CEMA member countries, of large economic organizations of the combine, production or scientific-production association and other types, which have their own substantial scientific research, technical planning and design, construction, machine building, and other capacities for developing and producing rationalization means peculiar to their sector.

For large-scale renovation and modernization, it has become effective to create joint coordination councils or councils of directors, and also councils of specialists to work on particular problems. The principle collaborators and representatives of foreign trade organizations participate in these councils.

Such agencies coordinate work, services and deliveries, supervise the implementation of work programs, agreements and contacts, and provide timely solutions to problems of execution. Positively influencing the rates and effectiveness of, as far as possible, simultaneous renovation by the partners, they facilitate resolution of problems which arise.

An important problem when preparing joint measures is the timely solution of commercial questions connected with the exchange of scientific and technical developments and rationalization technology and the inclusion of these solutions in foreign trade plans.

Experience has shown that development of unified standards and norms, of a unified system of planning and design documentation, and also of CEMA norms for working conditions, labor safety and productivity, environmental pollution, etc., can have a positive influence on the effectiveness of direct ties.

When starting to implement an agreement between economic organizations concerning joint renovation and modernization, direct ties are established by

the partners by forming temporary joint scientific research collectives and technical planning and design bureaus. An important prerequisite of success is agreement between the partners concerning the specific technical, economic and other goals of draft projects, plans and designs, taking into account an analysis of world standards and their predicted development, and also concerning time frames for completing operations as well as questions of financing and accounting for them.

In certain cases, direct ties make it possible to combine and adapt the productive processes of the partners by means of joint renovation. In the process, the partners are able to make operational corrections and changes as necessary.

Analysis of direct ties between East German and Soviet economic organizations in the renovation and modernization of existing capacities in light industry show that correct selection of partners and projects for collaboration is of great importance. For these purposes, it seems very important to us that the interested ministries and potential partners exchange information about the production profile of the enterprises which are being renovated and modernized: about the technical and economic level of products and the equipment and technology for their production; about the scientific and technical and production potentials for planning and carrying out renovation and modernization; about possible development of international specialization and cooperation; about increased coverage of quantitative and qualitative requirements within the country and for export, including export to third countries, etc.

In East Germany's light industry, measures for joint renovation and modernization are developed and approved, based on:

- the economic effectiveness of a number of basic indicators: those for sales, for material and technical supply, for production volume, for finances, and for composite economic results;

- substitution for import deliveries and growth of exports to ensure a foreign currency efficiency of 80 foreign currency marks for 1,000 marks of capital investment;

- the period set for carrying out the entire cycle of research - development - renovation - production - sale (less than two years);

- the projected workload of existing and newly created fixed capital (more than 16 hours per calendar day with the proviso that labor productivity must grow more rapidly than fixed capital);

- capital investments, which should ensure a correlation in which the growth of commodity production per unit of investments is greater than the capital-output ratio; investment recovery

period (less than 10 years); expenditures for construction (less than 20 percent of total investment expenditures).

The partners should have identical or similar production and technology structures and should jointly work out the purposes and paths of renovation and modernization, and should also precisely calculate expenditures and intended results. It is evident that, if the collaborating ministries pay attention from the very start to the methods and criteria they are using to select and approve measures, this will have a beneficial influence on the development of measures when establishing direct ties between economic organizations. Mutual interest on the part of cooperating partners is a decisive prerequisite for cooperation in general and for joint renovation and modernization in particular. It seems to us that ministries as well as enterprises should devote a great deal of attention to this.

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SOCIALIST COMMUNITY AND CEMA AFFAIRS

CEMA COOPERATION IN COMPUTER TECHNOLOGY

Moscow EKONOMICHESKAYA GAZETA in Russian No 27, Jul 86 p 20

[Interview with V. Boyko, department chief in the USSR State Committee for Science and Technology's Computer Equipment and Control Systems MA, section supervisor in the Automated Design Systems [SAPR] Council for Applied Computer Technology of the Intergovernmental Commission on CEMA Cooperation in the Sphere of Computer Technology, by EKONOMICHESKAYA GAZETA correspondent: "Cooperation in Design Automation"; time and place of interview not given]

[Text] Among the priority directions of the Comprehensive Program for Scientific and Technological Progress of the CEMA countries is electronization and automation of the economy. The document which specifically develops these directions of the program is the General Agreement on Multilateral Cooperation in the field of development and introduction of design automation systems (SAPR), signed by the CEMA countries and Yugoslavia. V. Boyko discussed with an EKONOMICHESKAYA GAZETA correspondent the problems and tasks encompassed by this document. Boyko is a department chief in the Main Administration of Computer Equipment and Control Systems, USSR GKNT [State Committee for Science and Technology] and the leader of the SAPR section of the council for the use of computer equipment, of the intergovernmental commission on the cooperation of the socialist countries in the field of computer equipment.

The comprehensive program for scientific and technological progress adopted by the CEMA countries is a program for the transition of the fraternal countries to a coordinated scientific and technological policy. The program encompasses a large number of problems and tasks across the entire cycle of industrial production: from theoretical research to the manufacture of finished products. Of course, each stage of the cycle is important. But everything begins with planning. It is precisely at this stage that it is especially dangerous to err. It is necessary, while relying on the best experience of past research, to take into account a tremendous number of new factors. Under conditions of modern industrial production with its gigantic scales any defect may result in large losses. They must be eliminated. This is the requirement of the current qualitative restructuring of all branches of the economy.

Exploiting the unique capabilities of computer technology, SAPR are substantially raising the technical and economic indices of manufactured products, reducing the material intensification of production and facilitating the development of energy conserving technologies. SAPR are also increasing the accuracy and effectiveness of planning and design projects and reducing the labor costs and time required for their production.

[Question] Vitaliy Vasilyevich, what specifically is expected from the introduction of SAPR into the daily practice of the economy of the socialist countries?

[Answer] The use of SAPR should raise the technical level and quality of products being designed a minimum of 10-15 percent; reduce material expenditures in the development of various facilities and substantially lower energy and transport costs. Broad application of SAPR will make it possible to reduce 2-4 fold the time required to put products in series production and greatly improve the quality of documentation. By the year 2000, approximately 80 percent of the planning and design projects in the CEMA countries are to be accomplished with the aid of SAPR, based on the use of new generation computers. This will be an important means of solving problems of intensification of the economy and further improving the competitiveness of new products.

[Question] Before the year 2000 is really not so long. How can such great qualitative changes be achieved?

[Answer] We are not beginning from a standstill. For more than 10 years already the CEMA countries have been cooperating intensively within the framework of the Inter-governmental Commission for Cooperation of the Socialist Countries in the Field of Computer Equipment. A great deal of experience, both scientific and organizational, has been acquired. Cooperation has been set up in the manufacture of standard means for technical support of SAPR; successes exist in the use of automated planning in many enterprises; and basic and applied support of SAPR is being created effectively.

Very instructive, for example, is the experience gained by specialists from the NRB [People's Republic of Bulgaria], PNR [Polish People's Republic], USSR and CSSR in the creation of an information system and a design and technological data base for automating the planning of parts for aggregates and machinery. This work began in 1975. A rather large number of problems immediately arose. One of the main ones was associated with the development of a single concept for the creation of automated planning systems. Having carefully studied the existing experience of Western firms, we decisively rejected this, since it meets the separate interests of individual competing groupings. Modern programs, mathematical models and software are all in the West objects of industrial espionage, and are maintained under tight security. Our concept differs fundamentally from the approach of Western firms, first of all in that it is based on joint cooperation and continuous sharing of advanced experience.

Base systems are one of the elements of the concept. To explain I will give an example. In each country bridges are built across natural and artificial barriers. Everywhere there are corresponding planning organizations which have their own SAPR. Thus, the task is not merely to build reliable bridges in all the socialist countries, but also to create optimum mathematical models jointly and to provide builders with them in all of the countries of the community. The builders must have the opportunity to use such models applicable to their own conditions. Certain successes have already been achieved today. The annual savings from the introduction of SAPR with corresponding data bases are 100,000 rubles at one project alone.

The use of applied program packs for design production lines for solving tasks of optimizing the layout and choice of roadbed design of new railroads and highways is saving more than 600,000 rubles annually in Mintranstroy [Ministry of Transport Construction] organizations alone.

[Question] A well-grounded program which takes into account a broad range of problems is required to improve the effectiveness of joint projects. What is being done in this direction?

[Answer] Such a program has been created and is being implemented. It is the "Program for Multilateral Cooperation in the Field of the Development and Introduction of SAPR," adopted in development of a corresponding General Agreement, signed in December of last year. The program envisions as the main form of cooperation the development of base SAPR in different branches of the economy. The base systems must provide the necessary level of design automation, regular sharing of information and coordination of efforts in developing and disseminating the most effective methods. It is planned, in particular, to develop standard technical complexes system-wide and applied programs and data banks. The program takes into account that the problem of more complete automation of all stages of planning, from the development of technical targets to the issuance of planning and design documentation, as well as the task of expanding the use of SAPR must be solved not only by creating major automated systems, the costs of which are reaching 3,000,000 rubles. The use of standard programs, methods of calculating and data banks mainly in medium sized and small organizations involved in planning and design, which is characteristic in a number of socialist countries, is assumed to be the main way of utilizing SAPR.

It has been decided to develop, based on many computers with a 3 million operations per second capacity, technical programming complexes of automated operating positions (PTK ARM), having software which includes operating and graphics systems; a tie-in with the information network and applied program packs for branch directions of effort. Bulgarian and Hungarian specialists have great experience in this field. The USSR is planning to place into series production by the end of the 12th Five-Year Plan a corresponding "small" item of equipment for continuous use in calculations and engineering preparation.

Overall it is planned to create and develop approximately 30 base SAPR for the machine building, electronics, instrument making, radioelectronics, construction and other branches. Participating in implementing the program

are such authoritative organizations as the Energoprojekt Scientific Research, Design and Prospecting Institute for Energy Construction (NRB); The Technical Institute of Heavy Industry (VNR); the Machine Tool Manufacturing Combine imeni Fritz Hekkert (GDR); the Mechanical Design Institute EDIMIK (Republic of Cuba); the Research and Design Center KOPROTEKh (PPR); the Scientific Research Institute of Heavy Machine Building, Uralmashzavod Production Administration (USSR); the Boiler-Works Factory (Yugoslavia), and others.

Specific time periods for fulfillment of individual targets are defined in the program. Overall savings of the new base SAPR, taking into account determination of their circulation, is assessed preliminarily as one billion rubles.

[Question] How do exchange of information, materials and new ideas take place and how is the coordination of efforts accomplished? Are there unsolved problems here?

[Answer] Regular meetings of specialists for joint work and coordination of documents are the main form of contacts in the field of development and introduction of SAPR. Such meetings last up to two weeks and take place in the countries participating in various projects on a rotating basis. Long-term work is assumed when special contracts or agreements having mutual commitments are concluded. In these cases the result will be program support in the form of program text on magnetic carriers, which are transmitted from one cooperating organization to another. This form envisions financial accounts which take into account the contributions of the participants in the overall work.

More advanced methods of common work have also been defined. I have in mind the creation of joint collectives and organizations. When a cooperative program in the SAPR field is being accomplished, it is planned to disclose the capabilities also found in international scientific and technological centers of the corresponding type.

Of course there are also unsolved problems. One of the them is the work of elements of the Ministry of Foreign Trade and the Vneshtekhnika All-Union Association, which is not entirely satisfactory to us. As the intermediate elements in contacts between Soviet specialists and their colleagues from the fraternal countries, these departments do not always effectively resolve necessary tasks. In the Political Report of the CPSU Central Committee to the 27th Congress of our party, M. S. Gorbachev noted the need to expand the independence of associations and enterprises. Now the time has come to give definite authority to the organizations engaged in joint work with partners from the socialist countries to solve operational questions themselves. This will undoubtedly improve the effectiveness of the coordination of organizations taking part in one or another joint project. I would also like to make reference to the poor use of opportunities for sharing without use of foreign currency. Work on drawing closer together standardized methodological information bases warrants more attention.

[Question] The results of economic activity should be realized in the social sphere. To what extent does the development of SAPR relate to this field?

[Answer] The automation of production processes, in particular the development and introduction of SAPR, and the associated acceleration of scientific and technological progress, of course, must not be evaluated only in material and financial terms. It is a complex issue. It includes raising the technological level of products and their reliability and durability; a substantial improvement in working conditions; solving a number of ecological problems; improving the aesthetic characteristics of products and many other things. And of course, when we speak about technical problems whose solutions will improve the effectiveness of planning in the countries of the socialist community, we must note the truly international nature of this activity and the expansion of contacts in new fields in the name of the common goal -- the qualitative restructuring of the economy and further improvement in the well-being of peoples.

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SOCIALIST COMMUNITY AND CEMA AFFAIRS

BOOK REVIEW: CEMA COUNTRIES IN WORLD ECONOMY

Moscow EKONOMICHESKIYE NAUKI in Russian No 5, May 86 pp 118-119

[Review by N. Cherkasov, professor, doctor of economic sciences, Leningrad, of book "Strany SEV v mirovoy ekonomike" [CEMA Countries in the World Economy] by Yu. N. Belyayev, Moscow: "Mezhdunarodnyye otnosheniya" [International Relations], 1984, V. N. Morozov, editor, 272 pages]

[Text] The contemporary stage of coexistence and economic competition of the two world systems moved to the foreground a number of most difficult economic and political problems having worldwide significance. Their analysis is one of the most important tasks of economic science.

The scientific value of the book being reviewed consists first of all of the systemization of such problems, the disclosure of their interconnections and, accordingly, of the trying to understand those tasks which face the socialist countries in the field of international economic relations. Yu. N. Belyayev analyzes the problem of the expansion of economic relations between the two systems, problems connected with the change in the correlation of forces of world capitalism and socialism, the internationalization of economic life, the development of socialist economic integration, the intensification of production, and also food, energy, and ecological problems. Each of them is an object of independent study. The author's service consists of the integrated analysis of their totality which provides the opportunity to present a general picture of the movement of the world economy and show socialism's advantages as a world economic system. Since these advantages are manifested to the greatest degree with integration collaboration, at the center of the author's attention are the solutions of global problems within the framework of CEMA and the solutions which are connected with the active influence of the CEMA member countries on world economic relations.

The internal logic of integrated analysis required: estimates of the place of CEMA member countries in the worldwide economy on the basis of a comparison of the indices of their economic growth and the corresponding indices of the developed capitalist countries; disclosure of the reserves of the socialist economy with consideration of the requirements of the NTR [scientific and technical revolution] and the possibilities for the integration of the CEMA member countries; a description of the capabilities and significance of intersystem economic collaboration for the solution of global problems; an estimate of changes in the nature and methods of the economic competition of opposite world systems. Yu. N. Belyayev consistently realizes this logic scheme in separating the chapters of the monograph.

In the work under review, which is a political-economics study, attention is attracted by the author's interesting, although not always indisputable, interpretations of the worldwide economy, international production and intersystem economic relations, international socialization of production, and the system of foreign-economic ties. It is stated, and with complete justification in our view, that in the worldwide economy "economic contiguity of the two methods of production... encompasses only the sphere of circulation while the initial and final points in the reproduction of goods and services are located simultaneously in two socially different systems" (p 14) which, even with the development of production collaboration of socialist and capitalist countries, "excludes completely the possibility of the merging of socialist and capitalist production relations" (p 15). Intersystem economic relations are considered as a sphere for the manifestation of fundamentally different systems of economic laws. At the same time it is stressed that intersystem exchange exerts a certain influence on the action of the economic laws of each social system. The author distinguishes three types of international socialization of production: adequate for capitalism, socialist, and worldwide (see p 31). The foreign-economic sphere of the worldwide economy is considered as a complex structure which is determined by the development of international trade, credit, international specialization and cooperation in production, scientific and technical collaboration, international tourism, migration of the work force, the joint construction and joint operation of enterprises, and by the development of international economic organizations, marketing, engineering, and licensing (see pp 127-128).

The book under review provides a profound description of the essence of the peaceful coexistence of opposite world systems which is based on a political-economic analysis of international relations in the contemporary era and the conclusions of the classics of Marxism-Leninism, in particular on the tenet of V. I. Lenin that socialism is inevitably being transformed into an international force "...capable of having decisive influence on all world politics."*

The unquestioned merit of the monograph is the specific analysis of the special features and ways for the solution of individual global problems under conditions of the world socialist system, and first of all, of the food problem. Shown on the basis of specific data and independent calculations which are presented in the form of tables compiled by the author are the dynamics of agricultural production in the CEMA member countries and their place in the world production of agricultural produce, basic trends in the development of socialist agriculture, and the capabilities and advantages of socialism in the solution of the food problem. Attention is also merited by the sections devoted to energy and ecological problems and ways for their solution within the framework of CEMA.

The book contains many independent and accurate theoretical estimates on various questions of socialism's political economy: on the intensification of production, the law of the economy of time and losses, economic competition of opposite systems, rates of growth, economic potential, the food resources, and so forth. Using creatively the works of K. Marx and V. I. Lenin, party documents, and CEMA

* Lenin, V. I. "Polnoye sobraniye sochineniy" [Complete Works], Vol 41, p 165.

materials, the author devotes special attention to the decisions of the Economic Conference of the CEMA Member Countries at the highest level (1984). The book by Yu. N. Belyayev also presents the conclusions from the works of Soviet and foreign economists and vast statistical information.

At the same time, the monograph being reviewed is not free of shortcomings. Thus, the chapters in which the food, energy, and ecological problems are examined do not appear to be organic component parts of the concept being presented, but rather a specific supplement to the theoretical sections. The level of the political-economy generalizations in these chapters, in our opinion, is lower. Chapter 9, "East--West: Some Results and Problems," is also only some addition to the preceding account which is poorly connected with a theoretical analysis of the global problems of the world economy.

Some theoretical conclusions and propositions are not very well formulated by the author or are not proven. Thus, propositions on external regular laws of the world economy (see p 5), on the development of the world market into a world economy (see p 9), and about the two systems of the world economy (see p 7) appear to be inaccurate from the political-economy point of view. The discussion conclusion concerning the existence of a law (and not a regularity) of the convergence (evening out) of the levels of economic development of the socialist countries (see p 39) is not supported by scientific argumentation.

The remarks which have been expressed, however, do not detract from the significance of the book being reviewed. Yu. N. Belyayev's monograph is a notable event in the study of the world economy and individual aspects of the integration collaboration of the CEMA member countries. Unquestionably, it will find a wide circle of readers and will render substantial assistance when studying the corresponding sections of socialism's political economy and the theory and practice of international economic relations.

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THIRD WORLD ISSUES

INTERVIEW WITH GKES CHAIRMAN ON ECONOMIC TIES WITH AFRICAN COUNTRIES

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 14 May 86 p 3

[Interview with G. I. Kuznetsov, chief, Economic Cooperation with Africa Department, GKES, by special correspondent V. Mikhaylov: "When Everybody Wins"; date and place not given]

[Text] Every year cooperation grows wider between the USSR and the developing countries. The new edition of the CPSU Program, as adopted by the 27th party congress, notes the following, in particular: "The CPSU advocates supporting the just struggle of the countries of Asia, Africa, and Latin America against imperialism and the yoke of the trans-national monopolies; it is for asserting the sovereign right to dispose of their own resources, to re-structure their international relations on an equitable, democratic basis, for creating a new, international economic order, and for saving them from the debt bondage imposed upon them by the imperialists."

Our special correspondent, V. Mikhaylov, addressed the chief of the Economic Cooperation with Africa Department, GKES [State Committee for Foreign Economic Relations], G. I. Kuznetsov, and requested that he reply to a few questions.

[Question] In the matter of the African countries achieving economic independence, what role is played by their cooperation with the Soviet Union?

[Answer] First, some clarification. Our department concerns itself with questions of cooperation with the countries of Tropical Africa, i.e., those situated to the south of the Sahara. The overwhelming majority of these states liberated themselves from the colonial yoke during the 1960's and 1970's, and having gained political independence; they were compelled to wage a complex struggle to find economic independence. Some understood earlier, others later, that success in this struggle could be achieved only by relying on the support of the countries belonging to the socialist community. Agreements on economic and technical cooperation have been signed between us and 32 countries of Tropical Africa, and concerning the latter's successful development the following fact can be cited: during the 11th Five-Year Plan the volume of technical aid from the USSR to the liberated states to the south of the Sahara, in comparison with the 10th Five-Year Plan, increased 6-fold.

[Question] What are the basic principles by which the GKES is guided in developing economic ties with the African countries?

[Answer] We proceed from the position that the main role in mobilizing resources for the needs of economic development belong to the countries themselves, while credits granted and other aid are merely an effective support for their own efforts. Our cooperation is directed at structural transformations, at eliminating disproportions in the economy of the young states. We should also note the broad nature of Soviet aid, that it allows a stage-by-stage formation of territorial-production complexes for solving the most urgent tasks of the socio-economic development of this or that African country. This ensures the broad range of our ties--from planning and construction to training personnel and operating enterprises.

Another important characteristic of Soviet aid is the fact that it is being channeled, for the most part, into the state sector, which is the base for developing the economies of the young countries; it facilitates the strengthening of their positions in the sphere of foreign economic ties, in defending their own interests vis-a-vis foreign monopolies.

[Question] Is preference given to any certain sectors within which cooperation is being carried out?

[Answer] Yes, to those which help to strengthen the economic potential of the liberated states, i.e., which have to do mainly with the sphere of material production as one of the most important units for overcoming backwardness. Suffice it to say that more than three-fourths of the total amount of aid is accounted for by industry and power engineering.

Nor does agriculture remain on the sidelines, inasmuch as the problem of providing food remains as acute as ever in Africa. In the next few years it is planned to significantly increase aid to the countries of this region in the agro-industrial sector of the economy.

A great deal of attention is also being accorded to aid in eliminating the acute shortage of skilled national personnel. We have rendered assistance to the countries of Tropical Africa in creating more than 50 educational centers; approximately 30,000 specialists have been trained at higher educational institutions, tekhnikums, and vocational centers which have already been built. More than 22,000 citizens from the states of Tropical Africa have received instruction at higher and secondary specialized educational institutions of the USSR. Over 50,000 skilled workers and technicians have been trained directly on the job while building and operating industrial facilities in these countries with the help of Soviet specialists.

[Question] What are the principal types of cooperation?

[Answer] In terms of the time periods required to complete the activity, there are long-term and short-term (i.e., one-time) types of cooperation. And there are the following two basic forms: first, technical assistance, whereby Soviet organizations supply equipment and send specialists, while all the administrative and organizational problems are handled by the African side; second is the

contract form, providing for the construction of the entire facility by the efforts of the Soviet organizations and turning it over when it is ready for commercial operation. In this connection, it has recently become more and more frequently feasible to combine Soviet organizations with firms from other socialist or even capitalist countries. For example, the foreign-trade organizations of the GDR and the CSSR delivered three rolling mills to a metallurgical combine in Nigeria, while during the period of constructing petroleum pipelines in this country cooperation was carried out with the British engineering-consulting firm named Aymeg, which worked out the engineering plan and also rendered assistance to our organizations in completing the full set of engineering equipment. An example which is the latest in time, but, in our opinion, one with extremely good prospects, is the agreement between the Tekhnopromeksport V/O [All-Union Association] and the Brazilian firm named Odebrecht regarding cooperation in creating the Capanda Hydroelectric Power Station in Angola.

[Question] Western propaganda harmoniously praises the "aid" of the capitalist states to the developing countries. Could you say something on this score?

[Answer] I think that an extremely clear evaluation of the situation which has taken shape is provided in the Political Report of the CPSU Central Committee to the 27th party congress. It was noted here that "imperialism has been able to create and adjust a very fine-tuned system of neo-colonialist exploitation." And, as a result, the developing countries, where more than 2 billion people live, have become a practically solid region of poverty. At the beginning of the 1980's the level of per capita income within the liberated countries as a whole was 11 times lower than in the developed, capitalist countries. Illiteracy, chronic malnutrition and starvation, epidemics and a horrifying infant mortality rate--are these the fruits of imperialist aid? You know, just during the last ten years the profits pumped out of the developing states by U.S. corporations alone have exceeded their investments four-fold. "It can be stated without any exaggeration," the Political Report emphasized, "that the system of imperialism continues to live, to a significant extent, by means of plundering the developing countries and by exploiting them in the most ruthless manner."

There are numerous facts--which, as you know, are stubborn things--demonstrating that the West's "aid" to the African states is directed hardly at easing their sufferings; nor is it aimed at their multi-faceted development and overcoming their economic difficulties. These problems are not to be solved by miserly handouts of food which are not enough to feed even a thousandth part of the starving people. And, of course, the continuous chatter of propaganda cannot conceal the main goal of imperialism: to keep the liberated countries in their own orbit, to subordinate them to the economic interests of the world capitalist economy, to permit its own monopolies even more predatorily plunder the natural resources of the African states, to squeeze out billions in profits from the sweat and blood of their peoples.

It should also be noted that among the industrially developed, capitalist states no more than 10-30 percent of their official "aid for development" goes for industry and construction. Moreover, a considerable portion of the projects are represented by enterprises of the incomplete production cycle, dependent upon the import of semi-finished goods and supplementary items from the developed countries. And there cannot be even any talk of training national personnel in the localities--this would not be profitable for the capitalist masters.

[Question] Garri Ivanovich, let me refer once again to the assertions by the bourgeois press, writing about the cooperation between the USSR and the developing states. Their inventions on this score are numerous. For example, they attempt to "prove" that such cooperation is profitable only for the Soviet Union. Or, to the contrary: various types of "voices" assert that our ties with the liberated are being carried out, supposedly, at the expense of the Soviet people's prosperity. That we are maintaining them not with those we should but solely with our own "satellites." I would like to hear your opinion on this score.

[Answer] I would like to state the following categorically: cooperation between the USSR and the African countries is unalterably built upon the principles of equal rights, as well as strict respect for each other's sovereignty. The Soviet Union does not seek unilateral privileges, does not hunt for concessions, nor does it achieve political domination. Enterprises built with aid from the USSR become the national property of those countries which have received the aid. We do not participate in the distribution of the profits. Our country is simply attempting to utilize the advantages of the international division of labor for drawing upon additional possibilities in solving economic problems, gaining time and increasing the effectiveness of production.

The credit principle which is conducted by the Soviet Union corresponds to the principle of mutual profitability. As distinct from the West, our country, when granting long-term credits to the liberated states, does not impose any sorts of political demands upon them, demands infringing on their sovereignty and national dignity. The credit conditions are extremely lenient from the viewpoint of the time periods for their amortization and the interest rates; the latter are never artificially padded out.

What is the advantage here for the USSR? Amortization of credits is carried out, as a rule, by deliveries of traditional export goods or products of the national industry which are necessary to Soviet industry or which enjoy a demand on our domestic market. Also accepted as payment are the products of facilities which have been built with Soviet aid, or national currency, which is then used to purchase local goods which the Soviet Union is interested in acquiring.

A brief example. The creation in Guinea of a bauxite-mining complex has allowed that country to solve the problem of how to increase the mining of this important mineral raw material, as well as how to amortize Soviet credits. More than 14 million tons of bauxite have been shipped from this enterprise to the USSR in order to amortize credits.

A propos of "satellites," in my opinion, the data on the number of countries, the amounts, lines, and forms of our cooperation with them eloquently testify to the fact that the USSR maintains ties with practically all the African countries, beginning with the most populated one, Nigeria, and ending with small island states such as the Seychelles or Sao Tome and Principe. In my opinion, comment here would be superfluous.

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THIRD WORLD ISSUES

SOVIET ECONOMIC, TECHNICAL AID TO AFRICA DETAILED

Moscow IZVESTIYA in Russian 24 May 86 p 5

[Interview with K. F. Katushev, chairman of USSR State Committee on Foreign Economic Ties by IZVESTIYA special correspondent B. Pilyatskin: "Africa--Our Biggest Partner"; date and place not given]

[Text] "We just received pleasant news from Mozambique," the chairman of GKES [State Committee on Foreign Economic Ties] begins our conversation. "The ship repair complex of the port of Maputo, which was created with the assistance of the USSR, completed the repair of the three hundredth vessel in succession. The Mozambique friends consider the complex, which consists of a dock and repair ship, one of the best state enterprises of the republic."

[Question] Our newspaper wrote about this "traveller" from Klaypeda which accomplished a journey 84 days long over seas and oceans. I recall that in Maputo, where I then worked as IZVESTIYA's special correspondent, the arrival of the dock in October 1981 became a genuine sensation for the local residents. They had never before seen anything like it. A great number of people gathered on the outskirts of the city, observing how the dock was moored. Perhaps among them were also those who, with the assistance of our country, received a profession and now work together with Soviet specialists....

[Answer] You touched upon the training of personnel. I would regard it as of paramount importance in our policy to render assistance to countries which have set forth on the path of building a new life. No accomplishment of national development programs is possible without competent, qualified specialists. I believe that I do not exaggerate if I say: the greatest evil which colonialism brought to the peoples, including the African people, was the depriving them of the possibility to have and to train their own personnel for industry, agriculture, public health, schools, and so forth. Now the young independent countries are forced to make up for years.

On the part of the Soviet Union, everything possible is being done to help them to solve this problem, one of the most urgent for them. Thus, for example, more than 2,500 Soviet teachers and doctors are now working in Africa. Assistance in the training of national personnel is being rendered virtually free of charge, in which regard it is constantly being increased. The Soviet Union was a pioneer in the employment of such an effective method, which does not require additional

expenditures, as the instruction of local personnel by Soviet specialists in the course of the very construction and operation of objects directly at the work sites.

This is exactly how personnel were trained for the oil refinery in Assab (Ethiopia), the Congolese mineral enrichment enterprise of Mvouti, and the bauxite mining complex next to the Guinean city of Kindia. The number of qualified African workers trained directly at the work sites exceeded 150,000 people. The collaboration in the training of national personnel has a complex nature and also includes assistance in the building of educational institutions--higher educational institutions, technical schools, and training centers. About 100 of them have been created. At the same time, more than 22,000 students from African countries are being trained in the higher educational institutions and technical schools of the USSR.

[Question] How could you characterize the status of the USSR's economic and technical collaboration with the African countries?

[Answer] Beyond the limits of the socialist commonwealth Africa is our biggest partner in economic collaboration.

It should not be forgotten: the mutual interest and sympathy for one another have long-standing roots. Take, for example, the history of Russian-Ethiopian relations. Widely known is the Ethiopian boy who found a second homeland in Russia and became a Russian general and engineer, Hannibal. His great grandson on his mother's side, Pushkin, immortalized Hannibal, as we all know, in "Peter the Great's Blackamoor." It can also be recalled that at the end of the last century a medical detachment of the Russian Red Cross society was equipped using people's resources and sent to Addis Ababa.

Already in our time the Soviet people extended the international hand of assistance to Socialist Ethiopia, which has suffered cruelly from drought, sending there airplanes, helicopters, medical personnel, motor vehicles, and so forth. They are in this country even today. According to the latest data, 90,000 tons of cargo have been shipped and 176,000 people were transported from the disaster areas. Our doctors rendered assistance to 140,000 patients.

If we speak of the USSR's collaboration with the young developing states as a whole, it is subordinate to their main task--the attainment of economic independence and overcoming the serious consequences of the colonial past. This means rendering assistance in the construction of industrial and power objects, the development of transportation, the mechanization of agriculture and irrigation of the lands, and geological prospecting for reserves of mineral raw materials. The list can be continued, but even without it it is clear how large-scale and important is the task for deepening foreign economic ties which was formulated by the 27th CPSU Congress in the "Basic Directions of the Economic and Social Development of the USSR for the Years 1986-1990 and the Period Out to the Year 2000" which it approved.

Naturally, the USSR is developing economic relations with those African countries which are displaying an interest in them. Here, the Soviet Union does not obtain control over their natural resources and economy and does not seek any special privileges and advantages for itself. The collaboration is structured

on the principles of a new type of international relations created by socialism which have been checked and tested repeatedly in daily life: the complete and actual equality of the parties, respect for the sovereignty and noninterference in each other's internal affairs, and mutual advantage.

The imperialist states and transnational corporations conduct an absolutely different policy. They are striving to subordinate the liberated countries to their influence, entangle them in a web of financial obligations, and impose a foreign-policy course which is advantageous to the West. It is proper that in such a situation an ever greater number of developing countries, including African, are turning to the Soviet Union for aid and assistance. Moreover, primary among them are those countries which have proclaimed as their goal the building of a future socialist society.

The USSR now has intergovernmental agreements on economic and technical collaboration with 37 countries of the continent. Since 1970 the volume of collaboration increased more than six-fold.

[Question] How can this be expressed more graphically so that one could obtain a concrete impression of the scale of collaboration?

[Answer] Here are two figures: with Soviet assistance in Africa more than 330 objects have been put into operation and about 300 are under construction or will begin construction in the visible future. As you understand, their listing alone would involve many countries. Therefore, I will name only some of them.

The High Aswan Dam on the Nile which provided electric power for the enterprises of Egypt and water for the fellaheen has been functioning successfully for many years. The dam twice helped to prevent the possible consequences of high water and, conversely, many times saved the country from drought during the years of low seasonal freshets on the Nile. Another example: the biggest metallurgical plant with an annual capacity of 1.3 million tons of steel with a complete production cycle--the biggest in all of Tropical Africa--is now being constructed in the Nigerian city of Ajaokuta. It will satisfy a considerable portion of Nigeria's requirement for ferrous metals and will provide a thrust toward the creation of allied enterprises in other branches of the economy such as machine building, the machining industry, the machine tool industry, and the oil and gas industry.

[Question] What can be said about the Soviet Union's assistance in the creation of objects of the agroindustrial complex and the solution of the food problem?

[Answer] Our basic position is that assistance should be directed, first of all, not at the struggle against the consequences of backwardness but at its causes. In this case, genuine progress in the solution of the food problem of the African countries is possible only on the basis of a rise in their agricultural production. In the years 1981-1985 the share of agricultural objects and services in the overall Soviet economic and technical assistance to the countries of Africa comprised six to seven percent. Beginning with this year, it is planned to increase the scales of collaboration in the field of the agroindustrial sector of the economy, especially in Tropical Africa. Its proportion will increase to a fifth of the total volume of the assistance rendered to this region by the USSR.

[Question] At the beginning of the talk you noted the in-principle gratuitous assistance for the countries of Africa in the training of national personnel. It is known that assistance of this type is also rendered by the Soviet Union with the emergence of extreme situations, let us say, in the case of an earthquake or flooding. At the same time, IZVESTIYA readers ask in their letters what is the value of economic collaboration with the countries of Africa for our national-economic plans.

[Answer] Among the principles of the collaboration being implemented I would mention mutual advantage. I will explain this by an example of the construction of enterprises on a compensation basis. What does this mean? Considering the economic difficulties, including currency difficulties, which our African partners are encountering, the Soviet Union displays a readiness to accept as payment for extended credits the products of enterprises created with this money.

In a number of cases, the paying-off of Soviet credits is accomplished by rendering production services by the African party in the servicing and repair of Soviet fishing vessels and so forth.

We have concluded compensation agreements with Ethiopia, Mozambique, the Congo, Guinea, Mali, and Morocco, and we intend to develop this type of collaboration in every possible way. For it shows how, on a healthy and mutually advantageous basis, it is possible to attract from outside financial and material resources for the development of the national economy and the timely payment for the assistance which has been rendered without expending currency in short supply. For example, in 1974 in Guinea a bauxite mining complex was constructed with Soviet assistance under compensation conditions. After it is put in operation, the Guinea side delivers bauxite to the USSR to pay off the credits and commodities which were granted to create the complex. Thus, the Soviet Union both rendered assistance in the creation of the enterprise and ensured a market for the sale of its products, which is of no small importance under today's conditions.

[Question] Konstantin Fedorovich, you touched on the question of paying off credits. I would like to return to this problem, considering its acuteness and urgency. It is known that the countries of Africa are experiencing tremendous difficulties in striving to overcome economic backwardness. A special session of the UN General Assembly will be devoted to the crisis situation which developed in no small degree through the fault of the West's imperialist and neo-colonial policy. What can be said about the Soviet Union's credit assistance to the countries of Africa?

[Answer] This assistance should be considered in the general context of the economic and technical collaboration in which our country unfailingly steps forward as a reliable partner which is loyal to its obligations. The USSR never stopped work unilaterally on any object. As regards the granting of credits, considering the objective difficulties which the African countries encountered and the unprecedented strain on their currency-financial systems, in recent years the Soviet Union increased substantially the scales of granting credits and, at the same time, is implementing measures directed toward seeing that our credit assistance does not lead to the accumulation of indebtedness in volumes which are burdensome for the economy of the recipient country. It should be stressed that in general the share of the socialist countries is only about three percent of the foreign debt of the developing states.

It has been calculated that for the period to the end of this century the peoples of Africa require at least 150 billion dollars to increase industrial production, raise the agrotechnical level of agriculture to combat drought, and develop transportation and communications. These resources can be obtained only in the case where the arms race is stopped, and first of all in nuclear arms, and the peaceful development of mankind will be ensured. The Soviet Union is calling precisely for this. The principle "armament instead of development" should be replaced by the reverse order of things--"disarmament for development."

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GENERAL ECONOMIC AFFAIRS

DISCUSSION OF LEGAL ISSUES IN SOVIET IMPORT REGULATIONS

Moscow KHOZYAYSTVO I PRAVO in Russian No 3, 1986 pp 77-80

[Article by P. Kravchuk, chief of legal department, V/O Avtoeksport: "Regulation of Imports--Some Legal Questions"]

[Text] Relationships between socialist organizations in importation of goods are regulated by Conditions of Fulfillment by All-Union Foreign-Trade Associations of Orders of Soviet Organizations for Importation of Goods.(1) These relationships arise in connection with the importation not only of goods but also of licenses, technical documentation, printed and art works, motion-picture films and also with securing of various production services from abroad.

Questions of legal regulation of relationships between socialist organizations and enterprises in the domestic market, including those of associations with Soviet organizations--customers of imported goods, customers and consignees as well as purchasers and suppliers on the basis of delivery contracts are now acquiring an ever increasing importance. At the same time practice shows that socialist organizations and enterprises do not know sufficiently well the rules regulating importation of goods and commit various mistakes. A broad knowledge by practical workers of the special rules regulating importation of goods is of undoubted benefit. Let us discuss several characteristic questions on the use of these rules.

1. According to paragraph 2 of Conditions the customers of imported goods are Soviet organizations that have received permission in accordance with prescribed procedure for importation of goods. Thus, customers of imported equipment, machinery, instruments, vessels, spare parts, licenses and technical documentation (including documentation for technical processes) are ministries and departments of the USSR and of union republics.

Customers of raw materials and industrial products (except for the goods enumerated above) are union main supply and sales administrations affiliated with Gosplan USSR according to a product list assigned to them and for other raw materials, industrial and food products--USSR ministries and departments.

This attests to the fact that the list of organizations that can serve in the role of customers of imported goods is exhaustive and the right to expand or change it belongs solely to the USSR Council of Ministers.

However, in practice a number of structural subdivisions of ministries and certain other organizations are winning recognition from foreign-trade organizations as their customers through presentation of written instructions for importation of goods and insistence on their acceptance and confirmation.

Contractual relations between a customer and a foreign-trade association are formed by the customer's issue of a written instruction for the importation of goods and a written confirmation by the foreign-trade association on the acceptance of the customer's commission for execution.

Many ministries and departments, not wishing to be engaged directly in drawing up instructions for imports, to carry the responsibility and also to exercise constant control over their realization, attempt to turn over their rights of customer to organizations belonging to the system of a ministry or department for which imported goods are destined. Foreign-trade organizations should not accept such import commissions. Transfer of the functions of customer to any other organization not included in the established list of organizations (paragraph 2 of Conditions) may be done only on decision of the USSR Council of Ministers.

When dealing with the central payer for imported goods, according to paragraph 37 of Conditions, a customer may on approval of the Ministry of Foreign Trade turn over the functions of central payer to another organization that is not the customer.

Foreign-trade associations are not always consistent in this regard. In a number of cases, they independently reach such an agreement with the customer, which is a deviation from Conditions.

2. In practice, cases occur of slipshod employment by customers, consignees and foreign-trade associations of Conditions and other special rules regarding quality, completeness, packing and marking of imported goods and mistakes in acceptance (use) of imported goods.

As shown by analysis of the claim work done at foreign-trade associations, certain claim acts are received from a customer or consignee that are improperly drawn up with lapse of the prescribed time for their presentation and examination. This does not permit the foreign-trade association to properly draw up and present claims to foreign suppliers and results in foreign-exchange loss, causing unjustified losses both to customers and their consignees and to the state as a whole.

It would be useful for lawyers of foreign-trade associations, independently or jointly with firm personnel, to provide legal assistance to customers of imported goods inasmuch as so far a significant number of them (especially of consignees) unfortunately do not possess adequate know-how to correctly draw up claim materials.

In accordance with paragraph 47 of Conditions, in disclosure of a shortage, nonconformity of assortment, incompleteness or poor quality, damage or spoilage of imported goods, the customer is obliged to provide to the first consignee a prepared claim report and where necessary other documents confirming the validity of the claim.(2)

If the enumerated defects of an item can only be disclosed following opening of the packing, the claim report is made out by the consignee who did the unpacking.

Claim reports can be made up in different form.

Consignees are not always able to invite experts from the USSR Chamber of Commerce and Industry or other special organizations (Ingosstrakh or Gosstrakh USSR). In such cases claim reports are drawn up with the obligatory participation of a competent representative of an impartial organization (ispolkom of the local soviet of people's deputies or other organizations not part of the consignee's operational system).

An important condition in the making up of any claim report is the clear-cut indication in it of all necessary elements (designation of commodity, address of foreign supplier, contract and transportation-document numbers, date of receipt of item by consignee, its designation and other data stemming from the transport documents). The document should indicate: the quantity of the imported item registered on transport or other documents (for example, packing lists, specifications and so forth) and disclosed at the time of examination, the state of the container and packing, marking on the container or directly on the item and a description of the seals. In the claim report, it is also necessary to provide a detailed conclusion by an expert or other compilers of the report on the defect or nonconformity of assortment, incompleteness, poor quality or spoilage of imported goods. Data concerning these violations are indicated in units of measurement provided in the transport or other mentioned documents.

If the quality of a product does not correspond to that agreed upon in contracts and import instructions, then the actual amount of the item which fails to meet contract requirements, technical conditions or data indicated in the certificate on quality or other documents is shown. At the same time, in the conclusion on the quality of the product, there must be shown without fail the appropriate percent by which its cost is reduced because of the disclosed defects. This important condition is required for foreign-trade associations in determination of the amounts of claims in foreign exchange which are presented to the foreign suppliers. For example, a customer presented to V/O Avtoeksport claim materials in connection with defects of rear axles of foreign-brand motor vehicles. The customer asked to make a claim for the full cost of the rear axles because the conclusion of the expert did not indicate the percentage of reduction of the price of the item whose quality did not corresponded to the stipulated quality but only concluded that the "axles in the quantity of 20 each have defects of a mechanical character and do not meet contract requirements." At the same time, not all the defects of a mechanical character caused a 100-percent loss in the quality of of the defective axles. While not objecting to the nature of the presented complaint, the foreign

supplier doubted the amount of the declared sum. This led to additional talks and correspondence.

In drawing up claim reports, the reasons for the shortage of the item or its defect should be indicated in all cases. In drawing up these and other materials confirming the validity of the claim, the customer or consignee should describe to the foreign-trade association the nature of his demands made to the foreign supplier. In determination of a shortage of an ordered item, the claim will end with the delivery of the lacking number or with return of the money paid for the missing quantity.

In case of discovery of damage to an item, the customer or consignee may demand the elimination of the discovered defects. At the same time, they must describe the manner of their elimination: rectification with their own resources or with the help of a representative of the foreign supplier or replacement of the defective item. In a number of cases, with disclosure of defects of an item or determination of the amount in percent by which its cost should be reduced, a request may be made for its price reduction.

When in contracts of foreign-trade association with foreign suppliers it is determined that slight defects in an item disclosed by the consignee can be eliminated by the latter through their own efforts with funds of the foreign supplier, the claim reports must indicate the number of workhours spent on elimination of the defects, the type and amount of performed work as well as a detailed indication of data on raw and other materials and power outlays expended on elimination of the defects.

For proper validation of claims in regard to quantity or quality, it is necessary to enclose with the claim report original transport documents, commercial reports and calculations. A significant role can be played in this by the attached original seals that are removed when opening a railroad car, motor vehicle, or container, and by photographs of received goods, etc.

In conformity with paragraph 47 of Conditions, the claim report and other documents confirming the validity of the claims should be sent to the foreign-trade association not later than on the 15th day from the day of arrival of the goods to the first consignee or correspondingly to the consignee who opened the packing; with respect to goods for which the foreign supplier has provided a guarantee on disclosure of defects within the period of operation of the guarantee--within 10 days from the day of discovery of the defects and for vessels, ship equipment and spare parts for it not later than within the 15-day period from the day of arrival of the vessel at a Soviet port. In all cases, claim reports should be sent to the foreign-trade association not later than 20 days prior to the expiration of the period for presentation of claims prescribed by the contract with the foreign supplier.

The foreign-trade association is obliged, no later than 20 days following the day of receipt from the purchaser of the properly drawn up documents, to examine them and in the existence of grounds to present a claim to the foreign supplier.

As shown by the experience of foreign-trade associations working with claim reports received from customers, the latter, aiming at the final 20-day period, frequently send incomplete materials improperly filled out. This practically excludes the possibility of associations presenting claims to foreign suppliers on time. Further correspondence with a customer or consignee on defects in shipped materials and their elimination leads to a lapse of the time period prescribed for presentation of claims, and as a result, to the refusal of foreign suppliers to satisfy them on a formal basis.

It is important for the customer and the consignee to know and to observe the norms of OUP SEV [CEMA Effective Management and Planning] and other international agreements so that foreign-trade associations would be able to present on time a claim to a foreign supplier.

Thus, in accordance with Section 72 of OUP SEV, claims may be presented with respect to quality of goods--within 6 months, quantity--within 3 months, counting from date of delivery and with respect to goods with a guarantee--not later than 30 days following the expiration of the guarantee period, given the condition of disclosure of the defect within the limits of the guarantee period.

Claim periods for goods coming from other countries (not CEMA members) may vary depending on the specific character of the goods and the practice that has developed in the process of trade with these or those foreign firms or organizations.

In confirmation of the need of their observance we shall only present two examples from the experience of V/O Avtoeksport. Thus one customer asked to present a claim for breakage of two windshields for buses. The items were delivered to the USSR on 15 February 1985 (the date of the stamp on the bill of lading of the foreign station in transfer of the items). All the necessary materials for presentation of the claim reached the association from the customer on 10 July 1985. Assuming that in the supplier's country, stable arbitrage practice has been established for examination of a claim connected with breakage of glass,(3) as well as a claim in regard to amount, the association at its disposal had only 3 months from the date of delivery of the items to present it. Due to the expiration of this time period through the customer's fault the claim remained unsatisfied.

Another purchaser asked V/O Avtoeksport to present a claim to the foreign supplier for breakage of lights for buses. The container with the items arrived in good condition with undamaged seals. The items were delivered on 14 January 1985, but the claim materials reached the association on 16 April 1985. And in this case, the association was deprived of the possibility of presenting a claim on time (that is, within the 3-month period), for which reason it remained unsatisfied.

Deterioration of the quality of goods, shortages, damage or spoilage of goods may occur not only through the fault of the foreign supplier but also through the fault of the shipper--transport organizations (foreign or Soviet). Joint fault is also possible. If it is not clear to the customer or the consignee who is liable, then on presentation of a claim to the shipper, the customer or

consignee is obliged to report to the foreign-trade association concerning the presented claim, appending to the report copies of the claim and documents validating it. The association, as the purchaser according to the contract, must within the limits of set periods for presentation of a claim to the seller notify him of presentation of a claim to the shipper.(4)

If, as a result of talks and correspondence with the shipper or on the basis of a court decision, it follows that the responsibility for the given claim should be borne by the sender (seller), then the purchaser (foreign-trade organization) is obliged on receiving a refusal from the shipper or a decision of the court, to send without delay to the seller documents confirming the claim with appended copies of the letter of the shipper or the decision of the court. In this case, the claim is considered notified on time (paragraph 2 of Section 73 of OUP SEV). It is clear from the content of this norm that the customer or the consignee must send or turn over in a short time the original documents received from the shipper or the court to the foreign-trade association and the latter must in the same manner present the claim to the foreign supplier. This important condition should be strictly observed in order to prevent refusal of the foreign supplier to satisfy the claim on formal grounds--expiration of the period of presentation of claim.

For improvement of the work relating to importation of high-quality goods, it is necessary to improve the operation of legal services in organizations of customers and consignees as well as in foreign-trade associations and to strictly observe existing normative acts as well as to maintain close contacts and provide mutual assistance between customers and foreign-trade associations.

FOOTNOTES

1. Confirmed by Decree No 530 of the USSR Council of Ministers of 8 July 1969 with the subsequent changes of 1 January 1985. See: SVOD ZAKONOV SSSR, Vol 9, pp 110-124. Hereinafter--Conditions.
2. In conformity with Conditions and other special rules, the customer is responsible for drawing up and sending valid claim reports to foreign-trade associations. The consignee plays an important role in this. He must also know well the procedure of drawing up and sending the materials. Sometimes on the basis of agreement between a foreign-trade association and a customer, claim reports and other documents confirming the validity of a claim can be sent to the association directly by the consignee in behalf of the customer, but in this connection the customer is not relieved of the responsibility timely and proper drawing up of all necessary materials by the consignee in a timely and proper manner.
3. Disputes connected with breakage of glass in accordance with Instructional Directions of Gosarbitrazh USSR of 17 August 1971 No I-1 27 are considered disputes stemming from delivery of products in an unsuitable condition.
4. See Section 73 of the 1979 edition of OUP SEV 1968/75.

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GENERAL ECONOMIC AFFAIRS

DECREE ON SCIENTIFIC RESEARCH IN USSR ECONOMIC ZONE

Moscow SOBRANIYE POSTANOVLENIY PRAVITELSTVA SSSR in Russian No 4, 1986 pp 50-55

[Decree of the USSR Council of Ministers No 1272 on Ratification of the Statute on the Procedure for Conducting Scientific Marine Research in a USSR Economic Zone]

[Text] In connection with the 28 February 1984 Ukase of the USSR Supreme Soviet Presidium: "On the USSR Economic Zone," The USSR Council of Ministers decrees:

To ratify the appended Statute on the Procedure for Conducting Scientific Marine Research in a USSR Economic Zone.

N. Ryzhkov
Chairman of the USSR Council of Ministers

M. Smirtyukov
Administrator, USSR Council of Ministers
Administration of Affairs

Moscow, The Kremlin, 19 December 1985, No 1272.

Enacted by decree No 1272 of the USSR Council of Ministers 19 December 1985.

Statute

On the Procedure for Conducting Scientific Marine Research in a USSR Economic Zone

1. Scientific marine research in a USSR economic zone is carried out in accordance with the 28 February 1984 Ukase of the USSR Supreme Soviet "On the USSR Economic Zone," the Statute on Protecting a USSR Economic Zone, the present Statute and other legislative acts of the USSR as well as USSR international treaties.

Scientific marine research on the sea bottom and under the sea of a USSR economic zone is carried out in accordance with USSR legislation on the USSR continental shelf.

2. Scientific marine research may be conducted in a USSR economic zone:

(a) by Soviet organizations on the basis of state plans of economic and social development of the USSR and union republics, plans of ministries and departments and scientific and technical programs established according to prescribed procedure;

(b) by foreign states, their juridical and financial persons and competent international organizations on the basis of USSR international treaties and in the absence of international treaties none other than with the permission of the USSR State Committee for Science and Technology, which is given in the manner provided by the present Statute.

3. Foreign states and competent international organizations that intend to conduct scientific research in the USSR economic zone, including with the use of vessels and other floating craft, submarines and aircraft, designated later as scientific-research facilities, for the purpose of securing agreements, present through diplomatic channels to the USSR State Committee for Science and Technology not less than 6 months prior to the proposed date for the start of such research a request as well as complete information in conformity with the appendix.

Foreign states present a request for information in the same manner in cases where they intend to have their juridical and physical persons conduct scientific marine research in a USSR economic zone.

Within 5 days of the day of receipt of the request and required information, the USSR State Committee for Science and Technology notifies the requesting foreign state or competent international organization of their receipt (with indication of the date of receipt).

4. Under ordinary circumstances, the USSR State Committee for Science and Technology gives its assent for conducting scientific marine research in a USSR economic zone by foreign states, their juridical and physical persons and competent international organizations and that this research is carried out exclusively for peaceful purposes and for expansion of scientific knowledge on the marine medium for the benefit of all mankind.

Such consent may be refused if the scientific marine research:

has a direct bearing on prospecting or development of natural resources of the USSR economic zone--both animate and inanimate;

includes drilling of the sea bottom of the economic zone, use of explosives or the introduction of harmful substances into the sea environment;

includes the construction, operation or use of artificial islands, installations or structures.

In the case where information provided in conformity with paragraph 3 of the present Statute is inaccurate or unfulfilled obligations to the USSR exist stemming from scientific marine research previously carried out by the respective foreign state, its juridical and physical persons or a competent international organization, the USSR State Committee for Science and Technology may refuse its consent for the conduct of such research.

5. Foreign states, their juridical and physical persons and competent international organizations may proceed to carry out sea scientific research in the USSR economic zone on the expiration of 6 months following receipt by the USSR State Committee for Science and Technology of the request and information specified in paragraph 3 of the present Statute if in the course of 4 months from the date of their receipt the USSR State Committee for Science and Technology does not communicate to the effect that:

the Committee refuses its consent for carrying out of scientific marine research on the basis of paragraph 4 of the present Statute, or

the information provided by the foreign state or competent international organization does not correspond in terms of the character or aims of sea scientific research to perfectly evident facts, or

presentation is required of additional information pertaining to the proposed scientific marine research, or

unfulfilled obligations to the USSR exist stemming from scientific marine research previously carried out by the respective foreign state, its juridical and physical persons or competent international organization.

If the USSR, as a member of a competent international organization or cooperating with it on the basis of a bilateral agreement, has approved a detailed program of sea scientific research planned by this organization or expresses the desire to participate in such research and the USSR State Committee for Science and Technology within 4 months of the time of its receipt from a competent international organization of information on the time periods and region of this research has not made any objections, the competent international organization on expiration of the indicated time may begin carrying it out. On receipt of such information, the USSR State Committee for Science and Technology notifies the competent international organization in conformity with the procedure designated in paragraph 3 of the present Statute.

6. Foreign states, their juridical and physical persons and competent international organizations in conducting scientific marine research in a USSR economic zone are obliged:

(a) to provide, if this is proposed by the USSR Plenipotentiary Representative, for participation of Soviet representatives in the sea scientific research, particularly on board the research vessels and other equipment or scientific-research installations. At the same time, the Soviet

Side carries no responsibilities for participation in payment of costs for carrying out this research;

(b) to provide the USSR Plenipotentiary Representative on his request with preliminary reports as well as within a 3-month period following completion of research a short report and in the course of 6 months from the day of presentation of the short report a full report on the conducted research and results obtained. These reports are provided in the Russian language and in another working language of the United Nations Organization;

(c) to provide the USSR Plenipotentiary Representative on his request access to all data and samples obtained within the framework of the sea scientific research and likewise to turn over data to him from which a copy could be made and samples which could be shared without detriment to their scientific value;

(d) to provide the USSR Plenipotentiary Representative on his request information containing an evaluation of such data, samples and results of research;

(e) not to create impediments to work conducted by the USSR in the exercise of its sovereign rights and jurisdiction in the USSR economic zone;

(f) to inform the USSR Plenipotentiary Representative of any significant change in the research program in not less than 60 days prior to the start of carrying out the research or before the beginning of a significant change in the research program in the course of its fulfillment.

Changes in the research program are considered approved if the USSR Plenipotentiary Representative on confirming receipt of such information fails to notify of any objections within 45 days of the day of its receipt.

(g) if no agreement is reached concerning any difference, the scientific-research installations or equipment are to be removed as quickly as possible when the research is completed.

7. A foreign vessel conducting sea scientific research in a USSR economic zone must have on board or on a superstructure a clear-cut designation, registry number and the name of the port of the vessel's registry.

8. A foreign vessel performing scientific marine research in a USSR economic zone is obligated to regularly maintain contact with Soviet shore services and in the presence on board of suitable equipment to transmit to the nearest Soviet radiometeorological center within basic international synoptic time periods data of hydrometeorological, hydrological, hydrochemical and aerological observations.

9. The captain of the foreign vessel conducting scientific marine research in a USSR economic zone or a responsible person at another scientific-research facility is obligated to provide unhindered access to the vessel or another scientific-research facility by the USSR Plenipotentiary Representative (as well as by officials of organs guarding the USSR economic zone) for examination of equipment and hardware intended for carrying out such research.

Costs connected with the presence on board a foreign vessel or on another scientific-research facility of the USSR Plenipotentiary Representative are borne by the pertinent foreign state, its juridical and physical persons or competent international organization.

10. The person responsible for the conduct of scientific marine research in a USSR economic zone is obliged on the demand of the USSR Plenipotentiary Representative (or official of the organ guarding the USSR economic zone) to provide necessary explanations and to ensure free access to the equipment and hardware designated for the performance of such research for the purpose of establishing the correspondence of available information to facts presented in conformity with paragraph 3 of the present Statute.

11. The USSR Plenipotentiary Representative (or official of the organ guarding the USSR economic zone) can halt scientific marine research in this zone when such research is conducted not in accordance with the information presented in conformity with paragraph 3 or in violation of paragraph 6 of the present Statute.

On obtaining from the USSR Plenipotentiary Representative (or official of the organ guarding the USSR economic zone) notification of the decision to halt scientific marine research, such research must be immediately halted.

Renewal of research is permitted by the USSR Plenipotentiary Representative only after elimination within a prescribed period of permitted violations and the presentation of guarantees that in the future such violations will not be allowed to occur.

Scientific marine research in a USSR economic zone conducted without the permission of the USSR State Committee for Science and Technology or with such deviation from the information presented in conformity with paragraph 3 of the present Statute that it signifies a serious change in the initial program of research is subject to immediate termination.

7697

CSO: 1825/64

UNITED STATES AND CANADA

U.S. PUBLIC'S REACTION TO AIDS, CIA 'INVOLVEMENT' DESCRIBED

Moscow SOVETSKAYA ROSSIYA in Russian 8 Jun 86 p 5

[Article by N. Sinyavin: "Unidentified and Uncontrolled"]

[Text] On April 27 SOVETSKAYA ROSSIYA published the article "AIDS: An American Syndrome", which discussed a disease that is widespread in the U.S. Due to the enormous reader response, we return to the subject.

The story of 23-year -old Derrick Bradley from Baltimore is typical in America today.

Derrick recently fell seriously ill. His condition declined drastically in spite of treatment, and the suspicion that Derrick was suffering from AIDS was soon confirmed. The doctors told him bluntly that he and his family did not have long to live and, without considering the consequences, they described the severe suffering he could expect.

Derrick was in such a strong state of emotional shock that he did not know what he was doing. He went straight home and unloaded a pistol into his seven-month-old daughter and her 19-year-old mother.

Jeffrey Sacks, a leading specialist in viral disease at the Center for Disease Control in Atlanta, the highest of such institutions in the U.S., recently stated that a new case of AIDS is diagnosed every hour, and that an AIDS patient dies every two hours. In his opinion, this is only the tip of the iceberg. Already, almost two million Americans carry the dangerous virus in a dormant state. In addition, more than 150,000 people suffer from the so-called "light" form of AIDS. Each one of them may at any moment pass the disease on to others.

The prognosis for the spread of the AIDS virus in the U.S. in the near future is alarming. According to a document of the National Committee for Conduct of Democracy Policy, if the virus continues to spread at its current rate, in 1989 about three million Americans will die of AIDS, and by 1993 no one will be left alive.

American law-makers have long been indifferent to the pathetic efforts of health and epidemiological services to control the spread of the disease.

Now they are caught in the wave of panic. Even in Alaska there are registered cases of AIDS.

Some of the respectable gentlemen in the Capitol present their recipes for the "healing" of America without bothering to investigate the causes for the appearance and rapid increase of AIDS. They say that scientists are wandering in a complicated labyrinth, vainly seeking the solution where it does not lie. America will become well again right away, some of them state in perfect seriousness, as soon as the proper laws are adopted.

Harry Johns, leader of a state legislature, displayed this optimistic spirit when he addressed a commission for fighting AIDS which was recently created in the state of Florida. Florida has become one of the three leading states in AIDS incidence with more than 1,000 cases. Only New York and California are ahead. Johnson unequivocally demanded that children suspected of having AIDS not be allowed to go to school. His next step would be to forcibly quarantine AIDS sufferers.

Americans with AIDS say that this will be of no help. Realistic measures must be taken.

Moneymakers thirsting to profit from the tragedy have found a "solution" to the AIDS problem.

Special "medical" offices have been set up in practically every large city of the U.S., which will for several hundred dollars sell "certificates" stating that their bearers do not carry the virus. They have found the weak spot. There is now a movement to drive those who might potentially develop AIDS out of the society of "universal prosperity." The fear of losing one's job drives simple Americans into the net of extortionists who draw up false document almost like an "indulgence" and an assurance of a peaceful life.

Blinded with a thirst for profit, the pharmaceutical monopolies contribute to the spread of the virus. For example, the American firm "Cutter" introduced two large batches of preparations, which are made using various parts of donors' blood, into Costa Rica in November of last year. Fortunately, the local authorities quite by chance decided to test these alleged "miracle drugs" for the AIDS virus, and it turned out that both of the lots were infected.

Soldiers and officers at American military bases spread the virus outside the U.S. The number of AIDS sufferers in the Federal Republic of Germany has already reached several hundred and increases by 6-7 people per week.

Even the Pentagon's docile Honduran marionettes, frightened by the direct link between registered cases of AIDS in this Central American country and the presence of U.S. soldiers there, have caused a great scandal for the Pentagon.

Specialists disagree sharply on the origin of the AIDS virus. The American press publishes masses of material blaming the African continent. But the

facts indicate otherwise. In the African countries, the number of AIDS patients is only one per 10,000 persons, which is almost 15 times lower than in the U.S. Army.

According to Christopher Williams, a well-known virology specialist at Ibadan University (Nigeria), "The virus which causes the fatal disease AIDS is a rare variant of the retroviruses encountered in African countries. However, its transformation took place, apparently, outside Africa."

Several virologists in France and England have suggested that the CIA may have had a part in the spread of AIDS. They do not exclude the possibility that during work on the isolation and study of natural viruses, a type of AIDS was "born" in the bacteriological laboratory and escaped from the test tube.

The possibilities for this are not small. The bacteriological warfare industry in the U.S. is powerful. Thirty-four large warfare centers and 73 contract organizations are engaged in the creation of new forms of such arms.

Not long ago, Western papers reported the illness of the well-known American actor Rock Hudson. He was not able to escape the pernicious AIDS virus. All treatments were useless. For days, this sad story flashed on the pages of the Western press. The tone of the press was surprising and even scandalous and sensationalist.

Rock Hudson was not one of the U.S. citizens who actively oppose the policies of official Washington. He was not in conflict with the authorities over any other problem. Nevertheless, as the DALLAS TIMES-HERALD reported on May 21, the FBI for a long time shadowed him continuously. The paper got hold of a thick dossier on the actor, but missing were 13 pages, which were kept secret ostensibly in the "interest of national security and foreign policy."

The silence of the large U.S. press on these disclosures makes some American journalists wonder. It is possible, some observers note, that AIDS was the reason for the FBI's interest in Hudson. It is established that the time between infection with the virus and the appearance of symptoms may be 5-6 years. It is possible that the actor was (through unknown circumstances) a guinea pig to observe the course of the disease. Taking everything into consideration, Hudson was far from being the only victim of the Pentagon's doctors.

Sooner or later, the secrets of the American special services will be made public. Whether they are exposed by an agent repenting his crimes or by one of the bosses, the secret of the rise of AIDS, "the plague of the 20th century," will be uncovered.

Opinion of a Specialist

S.P. Gordiyenko, director of the Department of Clinical Immunology of the Order of Lenin Central Institute for the Training of Physicians of the USSR Ministry of Public Health was interviewed by SOVETSKAYA ROSSIYA.

"Scientists have been studying Acquired Immune Deficiency Syndrome since 1981," said Dr. Gordiyenko. "The disease is still poorly understood. However, the spread of AIDS in the West has social causes, of which SOVETSKAYA ROSSIYA has already written. The factor of the "sexual revolution," which has in fact amounted to legalized vice, must be added. Drug addiction and prostitution are important factors in the spread of AIDS.

"The disease and the virus which causes it are the subjects of intense research in a number of scientific research institutes at the USSR Academy of Medical Sciences. The search for effective methods of diagnosis, treatment and prevention of AIDS is a basic task of the scientific research in which we are engaged. Undoubtedly, the Soviet public health system, with the help of the national and international attainments of medical science, will erect an effective barrier against the virus."

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CSO: 1807/305

UNITED STATES AND CANADA

KWAJALEIN, ITS ISLANDERS 'VICTIMS' OF U.S. MICRONESIAN POLICY

Moscow PRAVDA in Russian 27 May 86 p 5

[Article by O. Skalkin: "The Bitter Fate of Kwajalein: How the U.S. 'Protects' Micronesia"]

[Text] Upon arriving in Sydney, Julian Riklon, A Micronesian from the atoll of Kwajalein, took part in two events. At a conference for a non-nuclear Pacific Ocean, he represented the Marshall Islands, of which Kwajalein is a member. He appealed in the name of the inhabitants to the Australian and international community for support. The people of the archipelago, who have found themselves in the grasping hands of the U.S., are losing hope of escaping from neocolonialist servitude.

Riklon was also invited to hearings on peace and security being conducted by a council of Australian churches. His island birth adds drama to these discussions.

Julian Riklon was born on Kwajalein, which more than 30 years ago was converted into an American missile testing ground. He spent his youth on the atoll Rongelap, a little-known neighbor of the tragic Bikini, where the U.S. carried out nuclear tests. After one explosion a radioactive cloud passed over Rongelap, covering it with "American snow," as the inhabitants called it. This was long considered an unfortunate accident. Later, however, the sinister motives became clear. Australian director Denis O'Rourke's documentary film "Half Life" recounted the tragedy of Rongelap. A reviewer for the newspaper AUSTRALIAN wrote of the film: "It became obvious that American scientists had in the population of Rongelap an ideal control group for the study of the full effect of nuclear radiation..."

In early 1985 Riklon took part in the evacuation of the people from Rongelap aboard the ship "Rainbow Warrior." These were the last trips of the flagship of antinuclear protest in the Pacific. On 10 July of the same year, the "Rainbow Warrior" was sunk by the hirelings of imperialism.

I recorded Riklon's disturbing narrative in my notebook, hoping to return to it while reporting on Micronesia, whose fate worries the world community. But events moved too quickly. An article titled "American Guards in

Kwajalein Authorized to Fire Upon Demonstrators" appeared in the SYDNEY MORNING HERALD. Riklon's urgent departure for the Pacific atoll, whose small population is fighting for the return of the land that was torn away from them, was also reported.

What happened on Kwajalein? A group of local inhabitants seized a sea ferry and landed on one of the moorings on the American base and refused to leave it. The base commander ordered the guards to take arms. The rest remains a mystery, like much that happens on Kwajalein and in all of Micronesia. The Americans keep life in this vast region secret. They isolate it from the world.

Since 1964 the deep lagoon of Kwajalein has been used as a target for American intercontinental missiles launched from the California coast. The most recent firings have been connected with the development of the MX missile, an important component in the first strike strategy. The base on Kwajalein is also used for testing antimissile systems, and recent newspapers mention its importance in the development of the "Star Wars" program. The atoll is completely covered with specialized equipment connected with the supersecret work of the base.

Three thousand U.S. military personnel are stationed there. They are provided with all the comforts—a golf course, swimming pool, movie theater, sports complex, stores, etc. But for Kwajaleinians, to whom the atoll belonged before the Americans arrived, entry into this "heaven" is closed. They are generally not even allowed on the island, except for about 400 people who work there as servants. They are transported there in the morning on a cutter and returned in the evening.

The neighboring island of Ebeye, on which the Kwajaleinians have been settled, has become a sort of ghetto. Before that, according to Riklon, there were two or three families living on this territory the size of three football fields. It is now a human anthill. Up to 9,000 people live in primitive huts or single-story barracks hastily built by the Americans. The scandalous lack of sanitation (there is no water source on the island), caused frequent outbreaks of serious epidemic diseases. When Riklon left for Sydney, an epidemic of typhoid was being recorded on Ebeye.

The gap between the living conditions on "American" Kwajalein and "Kwajalein" Ebeye struck Congressman John Seiberling, who visited the American base in 1984. He compared Kwajalein with an American health resort, but on Ebeye he found "an overpopulated slum without a single bush and with a stinking lagoon and a hospital in ruins."

These are the results of just under 40 years of the U.S. protectorate over the Marshall Islands. Such is the fate of the native population under the conditions of the "free association" with the U.S. imposed by Washington. The situation in other parts of Micronesia is no better, reflecting the fact that American policy in this part of the world is to use these strategic islands exclusively for its military goals.

But the Kwajaleinians have nothing to do with American pretensions to mastery over the Pacific Ocean. They consider the removal to Ebeye a very crude violation of human rights. "We do not condone the U.S. use our land for military purposes against other countries," Riklon said. "Let the U.S. leave us alone. We do not need their 'protection.' We need independence. Now we are trying only to survive." He smiled bitterly.

Of course, Riklon and his countrymen do not submit to the existing situation. Speaking at a United Nations Council Conference on the protectorate, the chairman of the parliament of the Marshall Islands, Senator A. Balos, called for protection for the people of Micronesia against Washington's attempts to turn them into an American colony. Balos documented evidence of the U.S.'s outrages against the principles of humanity and the standards of international law. The Micronesians call on the United Nations, which entrusted the United States with this territory, to make a thorough investigation of Washington's neocolonial activities.

13183/12899

CSO: 1807/306

UNITED STATES AND CANADA

SOVIET OCEANOLOGISTS PROTEST U.S. OVERFLIGHTS

Moscow LITERATURNAYA GAZETA in Russian 18 Jun 86 p 9

[Text] Vladivostok--A few days ago, on board the scientific research ship "Dmitriy Mendeleev" of the USSR Academy of Sciences P.P. Shirshov Institute of Oceanology, I was shown a photograph: An American military four-engined Orion type aircraft, armed with quick-firing guns and bombs, is going into a turn.... The number is clearly visible on the tail--153458 RC, and the letters NAVY. That is the mark of a naval aircraft.

This moment was recorded by an amateur camera belonging to one of the scientific workers. The "Dmitriy Mendeleev," with scientists on board, was on the high seas for 4 months. This was its 37th voyage. After completing its scientific research program, the ship docked in Vladivostok.

"We carried out our work in the ocean in accordance with the international programs (KOLKORI) and (POLIMODE)," Candidate of Geographical Sciences I.F. Shadrin, chief of the expedition, says. "We were using instruments to study the deep structures of the Californian current. American scientists have been observing it for 30 years, but unlike us, they have only used hydrological methods, which can only give you an idea of the temperature and salinity of the current. Measurements of its speed have not previously been carried out. We used automatic buoy stations to carry out concrete measurements at depths of 4,000-5,000 meters. And I want to stress that the results of this work are important and interesting for everyone: They extend man's knowledge about the global circulation of the Pacific Ocean.

"Yes, it was a peaceful voyage, necessary to all mankind, by a scientific research ship carrying civilians. And on this voyage American military planes circled above us at sea. The last occasion was 2 June, when the 'Dmitriy Mendeleev's' course lay to the north of the Hawaiian islands."

"On 2 June at 1255 hours, at latitude 32 degrees north and longitude 167 degrees east," Second Mate V.D. Pachkoriya explains; he was on watch on the bridge at the time. "You know, it is rather an unpleasant feeling when there are bombs above your head. And the American military planes always appear unexpectedly and come in from the stern. Then from the bow, then crosswise. All this, six or eight times..."

Olga Sharonova, a young engineer from the Institute of Oceanology, joins in the conversation. She was on her first voyage, and had previously only seen military planes at the movies.

"It's an insult, that's what it is!"

"I would be more precise," ship's captain A.S. Svitaylo says. "The overflights of our ship by American military planes constitute a violation of international law, a violation of the Geneva Convention of 1958 on the high seas....."

/6662

CSO: 1807/320

UNITED STATES AND CANADA

BOOK ASSAILS U.S. THIRD WORLD POLICY AS 'NEOCOLONIALIST'

Moscow PRAVDA in Russian 12 Jul 86 p 4

[Review by V. Peresada of book: "Vashington protiv osvobodivshikhsya stran" [Washington Against the Liberated Countries], by an authorial collective, Moscow, Politizdat, 1986. Article entitled "With the Language of Arguments and Facts"]

[Text] This book, without a doubt, will become a great help to lecturers, propagandists and to all those who are interested in international affairs. The book is not very large (about 200 pages) but in it a great deal of factual material is gathered and systematized. Reading it, you receive a sufficiently complete presentation of the policy which the United States carries out in its relations with the developing countries.

The essence of this policy is evident from the title of the book itself. On its pages the authors relate in detail how American imperialism acts, striving to emasculate the sovereignty won by the young states, to preserve and even strengthen its control over them. Various means are used along the way--from the threat to use nuclear weapons in so-called "local conflicts" (there have been more than 30 of them in the post-war period) to financial robbery of these states (more than 400 percent of profit from each dollar invested in their economy). In the book the class nature of the U.S. neocolonial strategy is exposed, as well as old and new forms of its implementation and the unbreakable connection between Washington's attempts to impose its diktat on the liberated countries and its desire for world domination.

The "double face" of American neocolonialism clearly presents itself before us--the ruiner of national economies and the strangler of the independence of young states. Of particular topicality are the sections which review the policy of the current Washington administration, placing its stakes on methods of direct military intervention and subversive secret operations.

The thought that the only way to stop the neocolonializers is a worthy, well organized rebuff runs like a red thread through the book. For this, as the authors justly emphasize, a further mobilization of the progressive forces of Asia, Africa and Latin American is necessary, as well as more closely coordinated action of the liberated countries with the goal of defending their political independence and economic achievements and the consolidation of cooperation with international anti-imperialist forces.

WESTERN EUROPE

FRENCH NATIONAL FRONT'S ELECTORAL SUPPORT ANALYZED

Moscow ARGUMENTY I FAKTY in Russian No 18, 29 Apr-5 May 86 p 8

[Article by E. Arsenyev in answer to a reader's question]

[Text] In ARGUMENTY I FAKTY No 14, 1986 I read an article about the results of the elections in France. But it is still not very understandable how the right-wingers, especially the neo-fascists, were able to "win over" voters to their side.

R. Matveychuk, Zaporozhye

The "break-through" by the neo-fascists into the National Assembly, where they now have their own parliamentary group (for this it is necessary to have at least 30 deputies, and they have 35), reflects the general rightward shift in the arrangement of political forces in France. The National Front--a relatively small faction (about 20,000 members), founded in 1972 and headed up by a former participant in the punitive, colonialist expeditions in Indochina and Algeria, Le Pen--garnered 2.7 million, or 9.9 percent of the votes.

In and by itself, neo-fascism is scarcely something new in France. But its considerable activation is new. THE CAUSES OF THIS ARE ROOTED PRIMARILY IN THE ACUTE EXACERBATION OF THE ECONOMIC CRISIS AND THE WORSENING POSITION OF THE BROAD STRATA OF THE WORKING PEOPLE, as well as a significant portion of the petite bourgeoisie. Gambling on this, the ultra rightists are using demagogic slogans in the vein of "Reaganism French Style"; they promise to lower taxes and prices, to make credit less expensive, to restore health to the economy, to put an end to the rage of crime and corruption, to institute public order, to close off the channels of underground immigration, and to put an end to unemployment.

The members of the National Front are not only cut-throats and thugs but also dangerous demagogues. NEO-FASCISM FUNCTIONS AS A PARASITE ON NEED AND DEPRIVATIONS, ATTEMPTING, ABOVE ALL, TO RELY FOR ITS SUPPORT ON THE DECLASSE, UNFORTUNATE, AND DEMORALIZED SOCIAL STRATA WITH A LOW LEVEL OF POLITICAL CONSCIOUSNESS.

Deceived by the promises of the right-wingers, 14 PERCENT OF THE UNEMPLOYED, according to the data of a public-opinion poll, voted for the National Front.

Tens of thousands of ruined businessmen, small-scale proprietors, artisans, peasants, filling the ranks of the unfortunate and overwhelmed by the crisis, are demanding "order," the establishment of a "strong authority." Yielding to propaganda treatment, they often seek a way out in extremism, racism, and anti-communism, thus serving as fertile soil for the extreme reactionaries.

APPROXIMATELY 14 PERCENT OF THE BUSINESSMEN AND ARTISANS AND 11 PERCENT OF THE PEASANTS VOTED FOR THE NEO-FASCISTS.

THE FAVORITE "HOBBY-HORSE" OF THE NEO-FASCISTS IS RACISM. "Give Jobs to Frenchmen!--Coloreds, Get the Hell out of France!" was one of the main pre-election slogans of Le Pen's adherents, who are attempting to depict 4 million immigrants as practically the principal cause of unemployment, as well as the growth of crime in France. It was precisely in the major industrial regions with a high proportion of immigrants, particularly in the south, that the National Front received its greatest percentage of votes. ON THE WHOLE, ABOUT 11 PERCENT OF THE WORKERS AND 7 PERCENT OF THE OFFICE EMPLOYEES VOTED FOR THE NATIONAL FRONT.

Someone may have the following question: there was also a crisis in 1981, when, nevertheless, the left-wing forces were victorious in the elections, while the neo-fascists only garnered 0.36 of the voters. So why has the "pendulum" now swung so sharply to the right? For the most part, it is because THE SOCIALISTS NOT ONLY HAVE FAILED TO CARRY OUT THEIR PRE-ELECTION PROMISES, BUT THEY HAVE ALSO UNDERTAKEN THE "DIRTY WORK" OF PROMULGATING THE POLICY OF A "TIGHT ECONOMY" TO THE DETRIMENT OF THE WORKING PEOPLE'S INTERESTS. This has caused profound dissatisfaction and disillusionment with the results of the "left-wing experiment," something which the right-wing forces, including the neo-fascists, were not slow to take advantage of. They raised a new wave of anti-communism. An unprecedented campaign of slander was unleashed against the Communist Party. Its goal was not only to discredit the Communists, but also to evoke a mood of panic among the population so that it would see the right-wingers as "saviours."

In present-day France the AMERICANIZATION OF CULTURE AND MORALS has assumed an unprecedented scope, along with the cultivation of individualism and brutality, amorality, and hatred for the ideas of democracy and progress, factors which have also played into the hands of the extremists.

Fertile soil for neo-fascism is likewise provided by the CONDITIONS OF MILITARISM, CHAUVINISM, AND THE MILITARY PSYCHOLOGY, which have been supercharged by reactionary circles. The neo-fascists and the leaders of the right-wing parties are literally competing among themselves in manifestations of "big-gun patriotism." Le Pen's followers argue in favor of a "crusade" against socialism, for France joining the American plans for "Star Wars," as well as returning to the NATO military organization, and for revising the post-war political-territorial structure in Europe.

The neo-fascist faction known as the "National Front" and those similar to it do not, of course, exist on their own. They are needed, THEY ARE NOURISHED AND SUPPORTED BY THE MOST REACTIONARY CIRCLES OF THE FRENCH BOURGEOISIE, WHICH ARE USING THE NEO-FASCISTS IN THEIR OWN STRUGGLE AGAINST THE COMMUNIST PARTY,

AGAINST THE FORCES OF PEACE AND PROGRESS BOTH WITHIN THE COUNTRY AS WELL AS IN THE INTERNATIONAL ARENA. Le Pen himself was elected in the bourgeois districts of Paris, where his list of candidates received about 11 percent of the votes. Also within this same parliamentary group are several scions of big financiers and industrialists, for example, P. Seurac, the nephew of a former president of the League of French Industrialists.

The right-wingers in the National Assembly, since they hold only a slight majority, do not conceal the fact that the votes of the neo-fascist deputies could prove very useful to them.

They act in unison with the National Front likewise in the newly elected regional councils, where they have formed a bloc in a number of cases in electing chairmen of these councils. As a result, right-wingers have become chairmen in 20 out of 22 councils.

France's democratic forces have expressed serious concern. The PCF [French Communist Party] has called for vigilance and solidarity on the part of all workers and democratic forces in confronting the growing threat from the right-wing forces and extreme reactionaries, in the struggle for the vital interests of the working people.

2384

030: 1807/314

EASTERN EUROPE

INTERVIEW WITH BULGARIAN TU CHIEF DYULGEROV

Moscow TRUD in Russian 4 Jul 86 p 3

[Interview with Petr Dyulgerov, candidate member of the Politburo of the Bulgarian Communist Party Central Committee and chairman of the Central Council of Bulgarian Trade Unions, by TRUD correspondent, Sofia: "Common Goals, Common Efforts"]

[Text] Petr Dyulgerov, candidate member of the Politburo of the Bulgarian Communist Party Central Committee and chairman of the Central Council of Bulgarian Trade Unions, answers questions for a TRUD correspondent.

[Question] The recent 13th Congress of the Bulgarian Communist Party approved a detailed program of accelerated social and economic development for the nation.

What tasks have emerged from this for the Bulgarian trade unions, and where are they primarily focusing their efforts?

[Answer] Remember that the 13th BKP [Bulgarian Communist Party] Congress was held at a special time in history, a time when radical changes are being made in the approaches to and the means of building the mature socialist society in our nation. The main thing at the congress was to develop a long-range strategy for the nation's development extending to the year 2000 and based on the scientific and technical revolution and the expansion of socialist democracy and self-government.

The realization of this strategy is inconceivable without a sharp turn toward intensification and qualitatively new resource-conserving growth in the economy.

It is therefore planned to increase public labor productivity and the national income 2.5-fold during the current and subsequent five-year periods, and 3- to 3.5-fold by the end of the current century. The determination of ways and means of achieving these rates is the result of an enormous amount of creative work performed by the party and particularly by Comrade Todor Zhivkov. The new theoretical concepts, practical approaches and mechanisms which have been developed are permitting us to make far better use of the advantages of socialism and to link them with the possibilities of the contemporary scientific and technical revolution.

As you yourself know, all of this faces the Bulgarian trade unions with fundamentally new duties and responsibilities for the practical implementation of the party's strategy, which reflects the interests of the working people, of all the people. It is also clear that in order to successfully fulfill their functions, the trade unions must continue to rejuvenate their work as a whole. This is an essential condition for theoretically re-equipping the cadres, for making the premises and decisions of the party congress a firmly established part of the awareness and the thinking of the people, for getting millions of workers involved in the struggle to implement the congress decisions.

Naturally, the complete answer to the question of what the new party strategy constitutes for us will be provided at the 10th Congress of Bulgarian Trade Unions, which will be held next year. Even now, however, we are focusing our attention and efforts on three main directions: enhancing the professional skills of the workers in accordance with the requirements of scientific and technical progress and intensification, increasing the interest of millions of workers in the achievement of qualitatively new growth in the economy, and resolving the social problems of the individual and the labor collectives by introducing scientific and technical achievements and new management methods.

[Question] You also referred to the expansion of socialist democracy and self-government as an important factor with respect to implementing the party's strategy. This is reflected in the new Labor Code. What is the role of Bulgarian trade unions in the practical application of the new forms of self-government?

[Answer] Man has the crucial role--and this is well known to everyone--in the acceleration of social and economic development. Consequently, we shall only achieve qualitatively new growth in the economy when millions of workers have a direct interest in it and their creative activeness and initiative are developed on this basis, when the labor collectives themselves control their production and social development. In other words, economic incentives and self-government are the main things.

This is why, when we speak of a transition to self-government, we have in mind two main factors. The first is the intensification of direct democracy, a transition from deliberative forms of participation by the workers in government to direct government by the workers themselves. The second is the implementation of self-government on an economic basis--that is, with the use of resources and the resolution of economic, scientific and technical, social and other problems being turned over to the labor collective themselves and their collective agencies of self-government. Decisions will be adopted by a direct vote. Management leaders will thus be chosen and dismissed by means of competition and voting. The self-governing socialist organization will bear economic responsibility for the end results of its work, upon which the income and the social development of the collective are directly dependent.

These are the most important provisions in the new Labor Code approved by the State Council of the PRB [People's Republic of Bulgaria], which establishes self-government in the labor collectives and democratizes relations in the area of labor. This document expands and enriches the organizational, representative

and protective functions of the Bulgarian trade unions, which participate in the improvement and the application of labor laws and thoroughly monitor their observance. Questions in the area of labor, social security and the standard of living of the workers cannot be resolved without the trade unions. The right of the trade unions to organize the work of the labor collectives and their agencies of self-government, a right established by law, is of exceptional importance.

You can see that these enhanced rights and duties raise the role and functions of the Bulgarian trade unions to a qualitatively new level and open up for them an extensive field of activity with respect to the mastery and application of the principles and democratic methods of self-government, and to the establishment of the labor collectives as the true masters of socialist property. Lenin's teachings on the trade unions as a "school of management, a school of communism," are thus being filled with new and modern content.

[Question] Today, the workers of our nation have common goals and tasks, which define also a common direction for developing the activities of Soviet and Bulgarian trade unions and make new demands of them with respect to enhancing the effectiveness of cooperation between them. What prospects do you see for this cooperation?

[Answer] The 27th CPSU Congress and the 13th Congress of the BKP adopted decisions to accelerate social and economic development by effecting a scientific and technical revolution and intensifying the national economy. The processes involved in the profound qualitative changes in the economy and in all public life in our nations, and the new and complex tasks facing the workers of the Soviet Union and Bulgaria demand, if we do not wish to fall behind the times, that we renew also our cooperation and steadily enhance its effectiveness.

One could say that through joint efforts we have created a solid organizational basis for Bulgarian-Soviet trade union cooperation. It embraces all levels, from the leadership at the trade union centers to the plant organizations. We do not have single district or city, a single large enterprise or institute which does not maintain direct ties and engage in productive cooperation with related Soviet collectives and organizations.

It is particularly important today to use the extensive organizational basis which has been created so as to fill Bulgarian-Soviet trade union cooperation with new substance and more vigorously promote the application of the revolutionary ideas and decisions of our parties in the actual work. We are responsible for bringing about a coming-together and dynamic ties which will make the dissemination and adoption of everything new and progressive in the scientific and technical, economic and social praxis of our nations the cause of millions of working people. Bulgarian and Soviet trade unions can contribute even more productively to the development of new forms of integration, to the smooth and regular fulfillment of agreements on mutual commitments and cooperative deliveries, to the raising of the quality of the products delivered up to the level of world models, and to the gaining of world primacy in all of the most important areas of scientific and technical progress.

The second Ten-Day Period of Bulgarian-Soviet Trade Union Cooperation, held in the PRB from 1 to 10 July, is a good example of this. Its main goal is the study and adoption of advanced Soviet know-how in enhancing the effectiveness of production on the basis of scientific and technical progress. Numerous meetings with the dear visitors to our nation--prominent Soviet specialists, labor innovators and trade union activists--make the Ten-Day Period a time of extensive and serious exchange of achievements in the strategic areas of development.

I would like to say in conclusion that the further coming-together of the Bulgarian and Soviet trade unions, of the Bulgarian and Soviet workers, during the present, profound qualitative reorganization is a continuation of the revolutionary traditions of friendship and cooperation between our peoples, a clear manifestation of our loyalty to the principles of proletarian internationalism. This coming-together will facilitate acceleration of the economic and social development of our fraternal nations and peoples, the cause of peace and social progress.

11499

CSO: 1825/87

EASTERN EUROPE

TREATY DEFINES SOVIET-POLISH TERRITORIAL WATERS

Moscow VEDOMOSTI VERKHOVHOGO SOVETA SOYUZA SOVETSKIKH SOTSIALISTICHESKIKH RESPUBLIK in Russian No 25, 18 Jun 1986 pp 415-417

[Text] Treaty between the Union of Soviet Socialist Republics and the Polish People's Republic on the demarcation of the territorial sea (territorial waters), economic zone, sea fishing zone and the continental shelf in the Baltic Sea.

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics and the State Council of the Polish People's Republic,

Following the desire to deepen and broaden neighborly and friendly relations between the Union of Soviet Socialist Republics and the Polish People's Republic,

Proceeding from the provisions of the Protocol between the Government of the Union of Soviet Socialist Republics and the Government of the Polish People's Republic on the demarcation of Soviet and Polish territorial waters in the Gdansk bay in the Baltic Sea, of 18 March 1958, and the Treaty between the Union of Soviet Socialist Republics and the Polish People's Republic on the course of the continental shelf border in Gdansk Bay and the south-east part of the Baltic Sea of 28 August 1969,

Considering the aspirations of both Contracting Parties to ensure the preservation and optimal use of natural resources and also other interests, in accordance with international law in sea areas abutting their coasts,

Paying attention to the 1982 UN Law of the Sea Convention, signed by both Contracting Parties,

Hoping to solve, in a single treaty, the questions of demarcation of sea areas adjacent to the coasts of the Union of Soviet Socialist Republics and the Polish People's Republic,

they agree on the following:

Article I

The border of the territorial seas (territorial waters) between the Union of Soviet Socialist Republics and the Polish People's Republic runs in a straight line from the point located on the Baltic Spit on the Soviet-Polish state border with the geographic coordinates, 54 degrees 27' 28.63" north latitude and 19 degrees 38' 30.96" east longitude to the intersection of that line at a distance of 12 nautical miles with the

outer limit of the territorial seas (territorial waters) of the Union of Soviet Socialist Republics and the Polish People's Republic at the point with geographical coordinates 54 degrees 36' 15" north latitude and 19 degrees 24' 22" east longitude.

Article II

The border of the economic zone, the sea fishing zone and the continental shelf between the Union of Soviet Socialist Republics and the Polish People's Republic passes along a line from the point with geographic coordinates 54 degrees 36' 15" north latitude and 19 degrees 24' 22" east longitude and through point with the following geographical coordinates:

- A -- 54 degrees 40' 12" north latitude,
19 degrees 18' 54" east longitude,
- B -- 54 degrees 48' 54" north latitude,
19 degrees 20' 42" east longitude,
- C -- 55 degrees 20' 48" north latitude,
19 degrees 03' 48" east longitude,
- D -- 55 degrees 51' 00" north latitude,
18 degrees 56' 12" east longitude,

To the point of intersection of the corresponding territorial waters of the Union of Soviet Socialist Republics, the Polish People's Republic and the Kingdom of Sweden.

Article III

The borders, defined in articles 1 and 2, are marked on the Soviet sea map No 1150 on a scale of 1:500,000 and the Polish sea map No 301 on a scale of 1:500,000, which are included in the present Treaty.
(footnote: The maps are contained in the original)

Article IV

The present Treaty replaces the corresponding provisions of the Protocol between the Government of the Union of Soviet Socialist Republics and the Government of the Polish People's Republic on the demarcation of Soviet and Polish territorial waters in Gdansk Bay of the Baltic Sea of 18 March 1958 and the Treaty between the Union of Soviet Socialist Republics and the Polish People's Republic on the course of the continental shelf border in the Gdansk Bay and the South-east Part of the Baltic Sea of 28 August 1969.

Article V

The Present treaty will be registered in the United Nations Secretariat in accordance with Article 102 of the United Nations Charter.

Article VI

The present treaty is subject to ratification and will take effect from the day of the exchange of the instruments of ratification, which will take place in Warsaw, as soon as possible.

Concluded in Moscow 17 July 1985 in duplicate, each in both Russian and Polish, both texts possessing the same power.

By the authority of the
Presidium of the Supreme Soviet
of the Union of Soviet Socialist Republics

By the authority of the
State Council
of the Polish People's
Republic

B. ARISTOV

I. KOCHOLEK

* * *

Ratified by the Presidium of the USSR Supreme Soviet ratified 24 January 1986 and by the State Council of the Polish People's Republic 26 September 1985

The exchange of the instruments of ratification took place in Warsaw 13 March 1986.

CSO: 1807/337

LATIN AMERICA AND CARIBBEAN

CHILEAN COMMUNISTS' CALL FOR ANTI-PINOCHET UNITED FRONT HAILED

Moscow IZVESTIYA in Russian 20 May 86 p 5

[Article by A. Kamorin: "Chile Today: Twilight of a Tyranny"]

[Text] Over the last few weeks, the situation in Chile has reached a political fever point. Immediately after the unprecedentedly massive protest demonstrations of the democratic public, the Pinochet regime's punitive organs launched a wave of vicious repression against the residents of Santiago and other cities. And the Chilean capital's stadiums, which became a symbol of terrorism in the bloody days of the September 1973 reactionary military takeover, are once again packed with prisoners. Five thousand persons now languish in these hastily created concentration camps. In the workers' quarters of the cities, which are now inundated with soldiers and militiamen, all men between the ages of 14 and 60 are being checked in order to "identify subversive elements."

All the evidence leads to the conclusion that political polarization in Chile has reached a critical point. The dictator and his colleagues occupy positions on one side of the barricade, while the Chilean people are arrayed on the other. This leads to the following question: How long can the Pinochet government stay in power without the mandate of the Chilean people? The dictator himself has made it clear that he will not give up the helm of state before 1989, when, as the "constitution" he fabricated in 1980 mandates, his dictatorial authority as "legitimate" head of state will expire. However, even that distant date is not the limit in the mind of the tyrant, who has repeatedly hinted publicly that he is prepared to "serve" Chile thereafter.

In other words, there is no reason to expect Pinochet to step down voluntarily. Only the efforts of the people can put an end to his regime. The crisis in which the dictatorship now finds itself followed inevitably from the policy of the national government and the "internal war," which became the alpha and omega of the Pinochet regime. Along with workers, peasants, and students, large numbers of people from the intelligentsia and bourgeoisie are taking part in the democratic movement. Public support for the tyranny has shrunk to microscopic proportions.

Given these conditions, the most important problem is achieving unity of action among the political leaders of the opposition. The reason for this

importance is that the opposition movement consists of a wide variety of social groups with their own particular interests, all represented by numerous political parties and organizations.

Among them, the two largest opposition coalitions stand out. These are the People's Democratic Movement, which includes various leftist forces and the Chilean Communist Party, and the Democratic Alliance, in which the Christian Democrats play the dominant part. And while these coalitions disagree from time to time about how to wage the anti-Pinochet struggle, they realize that consolidating their efforts to overthrow the dictatorship is a matter of extreme political importance.

The leaders of the Democratic Alliance, which is supported by some right bourgeois parties, have attempted to start a "dialogue" with the rightist regime. The last such attempt was made within the framework of the so-called "National Accord on Transition to Full Democracy," which was worked out with Chilean cardinal Juan Francisco Fresno. Last December, the compromise proposal was presented to Pinochet, who, as was to be expected, rejected it.

With the failure of the dictator's "pacification" plans, the mood in the bourgeois opposition's camp changed. More and more people within that group began to support a unified struggle against the dictatorship. The People's Democratic Movement wholeheartedly supports these sentiments and is correct in thinking that liberating the people depends on coordinated employment of all forms of opposition, including the legitimate right to use arms in self-defense against the terrorist actions of the regime's punitive organs. Rejecting any compromise with the Pinochet clique, Chile's communists have stated that overthrowing the tyrant, the paramount task at hand, cannot be accomplished unless inter-party squabbling stops and a united front is presented.

There is considerable evidence in favor of this point of view. For example, the National Civic Assembly, the largest of the coalitions created by patriots since 1973, was formed in April of this year. The Assembly's first document, the proclamation "Chile Demands," bore the signatures of representatives from 300 Chilean political parties and public organizations.

Opposition forces intend to hold massive anti-Pinochet demonstrations in the near future. Various parts of the country are planning rallies and marches under the banner "For democracy and meeting the demands of the workers." Labor unions have scheduled a nation-wide general protest strike for 20 June.

The rapidly changing situation in Chile has caused a significant policy shift on the part of the U.S. Pinochet, who has faithfully served U.S. interests for 13 years, no longer figures in the myth of "representative democracy" that the White House preaches so energetically throughout Latin America. Even the arrant "hawks" of Washington realize the political damage they could suffer from supporting aggression against Nicaragua because "it opposes democracy" while holding hands with the butcher of the Chilean people.

The U.S. has decided to shift from its unadvertised but solid support of the Chilean dictator to more "flexible" tactics. THE NEW YORK TIMES made it

clear what these new tactics entail, writing "General Pinochet has lost all right to the consensus of those he governs. This means that times are ripe for the U.S. to take action."

A new ambassador, Gary Barnes, has been sent to Santiago with instructions for more "active diplomatic efforts." These efforts boil down to attempts to seed dissent in the ranks of the opposition, isolate the left, and arrange an "amicable" deal between Pinochet and the bourgeois parties. It would appear that the Barnes scenario would see Pinochet step down in 1989 to be replaced by an administration whose policy, in new and "democratic" garb, would be completely oriented toward the U.S.

However, the scope of the anti-Pinochet demonstrations has forced Washington to amend its policies. Currently, the White House feels that even the Chilean right is "too far left," and Ambassador Barnes has limited himself to statements that for now the U.S. is not interested in pushing Pinochet aside.

The Chileans realize that the freedom stolen from them will not be returned to them by Washington. It is interesting that practically all the opposition forces, regardless of their political orientation, have made statements recently indicating that democracy in Chile could be restored as early as this year.

13189/9435

CSO: 1807/288

LATIN AMERICA AND CARIBBEAN

ELECTION STRATEGY AGAINST PARAGUAY'S STROESSNER OPPOSED

Moscow RADIO PEACE AND PROGRESS in Spanish to Latin America 0130 GMT
19 Jun 86

[Text] A group of Paraguayans who oppose the regime in their country have met in Madrid and issued a proposal for the democratization of their country. The well-known writer Augusto Roa Bastos; one of the leaders of the Febrerista Revolutionary Party, Euclides Acevedo; and a personality of liberal extraction named [no first name] Prieto have urged all democratic forces to merge in a single front for the 1988 presidential elections to oppose the candidacy of the dictator Stroessner.

There is hardly any doubt that unity is perhaps one of the most burning issues for the Paraguayan opposition, because it is the very lack of coordination among all these democratic organizations that allows the dictatorship to stay afloat, despite the fact that it has brought ruin and misery to the country.

However, observers are asking themselves the following question: What role will a single, united Paraguayan opposition front play in the 1988 elections?

Let us bear in mind that six of these so-called Paraguayan elections have already resulted in electoral farces at which the Paraguayan opposition was cast as the clown in Stroessner's show. The democrats who truly wanted to participate in the elections became targets of mockery. Ballot boxes disappeared into the void and reappeared soon afterward full of forged ballots. As a rule, the number of votes for Stroessner always exceeded the number of registered voters in the country. Thus, it can hardly surprise anyone that the Paraguayans deposit blank votes in the ballot boxes, having no wish to be accomplices in the swindle against the people.

However, now we have a group of Paraguayan personalities who seem to have forgotten all about past elections and want to fight the dictatorship with votes in a country where there is state of siege, where all democratic organizations are banned, and where violence and arbitrariness are standard political tools.

It is obvious that this proposal is hardly in keeping with the degree of development and maturity attained by the antidictatorial movement of the Paraguayan masses who are staging demonstrations and demanding the immediate departure of the dictator from Government House.

In light of these developments, the proposal to participate in the tyranny's electoral farce could be construed as an attempt to undermine the anti-dictatorial onslaught of the people and counsel resignation. This would give the dictatorship a respite.

Staunchly antidictatorial Paraguayan organizations that belong to the Dr Gaspar Rodriguez de Francia Paraguayan Liberation Movement and other groups are willing, in principle, to participate in elections, but these elections must be held after the tyrant is overthrown, so an atmosphere of total electoral freedom can be enjoyed, and after all the political prisoners have been released and the exiles have been allowed to return to their fatherland.

/8309

CSO: 3348/672

LATIN AMERICA AND CARIBBEAN

SOVIET-PERUVIAN TREATY ON CULTURAL, SCIENTIFIC COOPERATION

Moscow SOBRANIYE POSTANOVLENIY PRAVITELSTVA SOYUZA SOVETSKIKH
SOTSIALISTICHESKIKH RESPUBLIK in Russian No 8, 1986 pp 115-119

[Text] The agreement between the Government of the Union of Soviet Socialist Republics and the Government of the Republic of Peru on cultural and scientific cooperation.

The government of the Union of Soviet Socialist Republics and the government of the Republic of Peru, desiring the strengthening of friendship between the peoples of both countries along the path of cooperation in the areas of culture, education, science, art, publishing, radio and television broadcasting, cinematography, sports and other cultural and scientific activities, on the basis of the mutual respect for the principles of national sovereignty, equality, and non-interference in each other's internal affairs, agree to the following:

Article I

The Contracting Parties will assist the reciprocal familiarization of the achievements in the areas of education, science, and culture of each country. Toward this goal, they will encourage the translation and the dissemination of literary and scientific works of reciprocal interest to the other Party. They will also exchange information relating to the achievements in the areas of education, science, art, and literature, and publications of a cultural and scientific nature which include encyclopedias, school books, and others.

Article II

The Contracting Parties will further promote cooperation between their educational, scientific and cultural establishments by means of exchange of publications and informational materials on the profile of the corresponding establishments: film, dramatic and musical presentations, phonograph records, microfilms and materials on tourism.

Article III

The Contracting Parties will further promote the implementation of reciprocal visits by scientific workers, scholars, teachers from institutions of higher learning, writers, composers, orchestra conductors, theatrical producers, cinematographers, television and radio directors, journalists, artists, and art groups, and also other figures and specialists in the areas of culture, education, science, and art in an effort to develop ties and the exchange of information in the stated fields.

Article IV

Each of the Contracting Parties will hold on their own territory exhibitions of the art, science, culture, and the educational system of the other party. They will also promote sporting events, film and theater festivals, concerts and theatrical productions with the goal of better mutual familiarization with the achievements in the stated fields of both parties.

Article V

Each of the Parties, with the goal of assisting the familiarization with the achievements of the cultures of the Union of Soviet Socialist Republics and the Republic of Peru, will render assistance so that the figures of science and culture of the other country are invited to participate in congresses, conferences, festivals, and other international measures of a cultural or scientific nature, which happen in their countries.

The Contracting Parties will render assistance with the instruction of the Russian and Spanish languages in the Republic of Peru and the Union of Soviet Socialist Republics respectively.

Article VI

Each Party will protect in their own territory with respect to the provisions of the International Convention on Copyright Laws, and also the corresponding national legislatures laws on works of science, literature, and art of the other Party, supporting the collaboration between the organizations for the protection of copyrights, publishers, and/or possessors of these rights in their own countries, so as to assist in the dissemination of the stated works in the USSR and the Republic of Peru accordingly.

Article VII

Each of the Contracting Parties will respect the judicial regulations of the other Party about the protection and use of historical and cultural monuments, touching upon the prohibition of their exportation across the borders of their country, with the exception of the instances when it fulfills the basis for special agreements which are correctly issued, with the designated internal legislation of each Party. The Parties will exchange texts of this corresponding legislation

Article VIII

The Contracting Parties, on the basis of the principles of reciprocity, will assist in the temporary importation and exportation of their valuables, which relate to the national cultural property, for the exhibition in shows of a cultural character in the territory of the other Contracting Party by the terms, specially determined for each case through special reciprocal negotiations between their competent state institutions.

The countries in which the stated cultural treasures are being exhibited will guarantee the fulfillment, without fail, of the formalities for their importation, protection in their territory, careful handling of them, full preservation and the return in good time to the country which gave them for export.

Article IX

Each Contracting Party, in accordance with their own possibilities, will strive to satisfy requests by the other government for specialists in the areas of culture, education, science, art, and in other areas of culture which will work in another country under the conditions determined by contracts between competent organizations from both countries. The principal regulations of these will be: the length of sojourn the extent of the salary, specific type of activity, the conditions of mutual accounting, place and the designation of the Parties' institutions according to the contract.

Article X

Each Contracting Party, within their possible limits, will grant to the other party stipends for students in institutions of higher learning and in graduate schools. They will also grant stipends for the perfection of theoretical, practical, and research knowledge in the areas of education, science, technology, culture and sports. The scholarship students will be obliged to fulfill the regulations of each Party's conditions for receiving the stipend. These stipends will be approved beforehand by the competent organizations of both Parties.

Article XI

Corresponding to their own internal legislation, each Contracting Party will recognize diplomas and evidence of education, as well as teacher and student degrees and titles, which are received and awarded to citizens of one Party in the other's teaching centers.

For the specification and establishment of a norm for mutual recognition of documents on education, students degrees and titles received in the USSR and the Republic of Peru, the Contracting Parties are mutually interested in conducting negotiations with the goal of signing a protocol on the equivalency of documents on education, school degrees and titles.

Article XII

The Contracting Parties will further assist in the development of cooperation between their corresponding sporting organizations in the areas of sports and physical culture, encouraging exchange of sportsmen and specialists, and even conducting sporting events and competitions.

Article XIII

Following the aspirations for better familiarization with the life and culture of both people, the Contracting Parties will encourage the development of tourism between the two countries.

Article XIV

By negotiations, which will be held every two years through diplomatic channels in Moscow and Lima alternately, the Contracting Parties will draw up a reciprocal program of measures for the implementation of the present agreement, in which will be financial and material conditions for a specific form of cooperation for the regulation of cultural exchanges envisaged in the present agreement.

Article XV

The present Agreement takes effect from the day of the exchange of notes, by which the Parties inform each other of its approval by the established procedure of their respective legislatures.*

Article XVI

The agreement will be in effect for five years and will continue to preserve its own power after the designated term until one of the Parties declares its intention of renouncing the Agreement. The Agreement can be terminated one of the parties by means of a written notification of such. In that case the Agreement will continue for six months or until the completion of the programs which would at that moment be in the process of implementation.

Concluded in the city of Lima on 27 May 1985 in duplicate, each in Russian and Spanish, yet both texts have the same authority.

For the Government of the
Union of Soviet
Socialist Republics
A. Filatov

For The Government of the
Republic of Peru
L. Perkovich

* The Agreement was put into effect 17 December 1985

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LATIN AMERICA AND CARIBBEAN

CPSU PROGRAM, CONGRESS REPORT ON TASKS FOR LATIN AMERICANISTS

Moscow LATINSKAYA AMERIKA in Russian No 5, May 86 pp 5-8

[Article: "The 27th CPSU Congress: to the New Frontiers of Scientific Inquiry"]

[Excerpts] The 27th Congress of the Communist Party of the Soviet Union has become an event of truly fundamental importance in the development of Marxist-Leninist theory. The political report of the CPSU Central Committee, the new Party Program, and other materials of the congress are documents of enormous innovative force and international significance.

Such a grandiose task obligates social scientists to reappraise and analyze all key factors and trends in world development and to project what they might become in the future. In this regard, new, higher demands are also made on Soviet Latin American studies [otchestvennaya latinoamerikanistika], on their correspondence to the course of historical time, to the logic of what is happening in the region and on an international scale. The range and depth of current research are dictated by the fact that Latin America which, at the same time that it is a considerable part of the contradictory but largely integral world community, is also a unique "minicopy" of the community, is a region that is characterized by our era's opposing trends and alternatives, by the formation of new (side by side with old) structures that determine the similarity and sameness of development of Latin American countries with the leading world trends as well as the uniqueness and diversity of the reality of each of these countries

Understanding the general and the particular presupposes a daring, revolutionary formulation of long-range creative tasks. "The methodology of dialectical materialism," the new Program of the CPSU states, "has been and continues to be the basic, tested foundation of natural scientific and social cognition; it must be creatively developed further and must be skillfully applied in research work." Today, this activity must be directed not only toward recording and disclosing individual facts and phenomena, but also toward their systematization and conceptualization with the aim of ascertaining the most effective ways and means of overcoming backwardness. There is also an urgent need to orient creative thought toward the substantiation of the necessary measures for the accelerated integration of the region in world development in the interest of the peoples inhabiting the

region. Unless the scientific base is developed in greater depth, these problems will be unsolvable.

Progress in our time is rightly equated with the successes of socialism. An example of this in Latin America is Cuba. But there must also be progress in studies of the fruitfulness of its experience. Such is the obligation imposed by the decisions of the 3d Congress of the Cuban Communist Party and its progress in social and scientific-technical areas and in international specialization and cooperation in production. The very newness of the social tasks addressed in Cuba and its specific approach to the utilization of all of socialism's potential and advantages for overcoming backwardness and for reaching the highest levels of development open up major perspectives to Soviet Latin American studies.

The course of social progress is closely associated with the national liberation movement. Here, too, among the numerous questions that confront the countries in the region in this area, there are many questions the answers to which are not yet known, questions that must urgently be answered in the face of the new, burning problems that arise. As we know, most Latin American countries participate to one degree or another in the antiimperialist struggle. Its development in the region has a long history, distinguishing features, and characteristic traits. They are to a considerable degree determined by the conditions of the relatively belated development of capitalist production relations on the continent and the specifics of manifestation of the law of uneven development of capitalism under these conditions which has resulted in the sharp differentiation of Latin American countries. This differentiation has intensified in recent years under the influence of the process of transnationalization. As a result, the peoples of a number of the most backward countries in the region are very urgently confronted with the problem of national rebirth. The problem is successfully addressed by the Sandinista revolution which is a model of the movement toward progress and which is of great scientific-political interest. The point at issue in the given instance is the need for a more creative study of long-range dynamic social processes that are born of the dialectic of the struggle for liberation in regions of the developing world.

No less urgent and important tasks also arise in connection with the centripetal tendencies of capitalism in its Latin American periphery. The basic problem is: what are the new contradictions introduced into regional and world development by this process? In the elaboration of this problem, the Political Report of the CPSU Central Committee to the 27th CPSU Congress concentrates primarily on the all-round analysis of the economic and sociopolitical consequences of the mounting contradiction between transnational capital and the national-state form of developing society. This also has a direct bearing on the question of whether the scientific and technological revolution will serve the cause of independent development or whether it fail to fulfill its progressive function on the periphery, thereby aggravating the entire complex of problems inherent in backwardness--the major worldwide problem of modern time.

There is an especially powerful ring to the pronouncement of the 27th CPSU Congress that "creative analysis and the vision of the future have led us to a very important conclusion. Today as never before, it is important to find closer and more productive cooperation with governments, parties, social organizations and movements that are truly concerned over the fate of peace on earth and with all peoples for the sake of the creation of an all-embracing system of international security." It is difficult to realize this lofty goal without a practical return on science. New phenomena in mass social movements, changes in society's social structures, in the activity of national and regional social and political organizations in Latin America that are struggling for peace, democracy and progress require careful study. The modern history of the region and its sociopolitical and international development offer favorable soil for creative search in this direction. Take, for example, the "Contadora process," the movement of "lower Christian communes," etc. It is difficult to exaggerate the significance of research on problems of the communist and labor movement in the region and its role in the liberation struggle. All this is all the more important because the party's policy of solidarity with the forces of national and social liberation continues to be invariable.

The innovative principles and conclusions of the 27th CPSU Congress give great creative impetus to Soviet Latin American studies, which must cover the wide-ranging spectrum of the topics and theoretical problems discussed at the historic forum of Soviet communists.

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LATIN AMERICA AND CARIBBEAN

INTERNAL POLITICS OF U.S. INVOLVEMENT IN NICARAGUA DESCRIBED

Moscow LATINSKAYA AMERIKA in Russian No 5, May 86 pp 9-21

[Article by M.A. Oborotova: "The USA Against Nicaragua: The Previous Course"]

[Text] One and one-half years have already passed since R. Reagan's reelection as U.S. president. The events of this period have clearly shown that Washington still has no intention of becoming reconciled to the existence of independent Nicaragua.

The threat of intervention in Nicaragua increased in the very first days of Reagan's second term in office. At that time, there were too many indications that the USA might resort to direct armed intervention in that country's affairs.

There was no longer any need to reckon with election campaign promises that had previously hindered the implementation of the administration's aggressive plans in Central America. The first four years of the Republican administration's term of office convincingly showed its preference for maintaining a hard line on Nicaragua. Economic sanctions; attempts to destabilize and isolate the Sandinista government in the international arena; the establishment and arming of a 15,000-man counterrevolutionary army for waging the "secret war"; the development of plans for direct and indirect intervention; and sabotaging the activity of the "Contadora group"--such was the by no means complete list of U.S. actions against Nicaragua in 1981-84.

The Republican Party platform adopted in August 1984 eloquently attests to the fact that no softening of [U.S.] Central American policy is foreseen. There has not even been any attempt to find new formulations to substantiate the power policy in the subregion. The platform repeats the old cliches about U.S. security interests in Central America, "communist expansion" in the subregion, Nicaragua's "aggressive intentions," etc.¹

Expressing their approval of such actions by the administration, the Republicans wrote the following words in the platform: "We applaud the liberation of Grenada. We honor those who took part in it."² There is scarcely any need to speak about the actions that could be supported by a

party that openly expressed its delight concerning the most shameful episode in American history.

The Democratic Party--the Republicans' adversary--is in a state of deep crisis. The pressure that it could exert on the administration's activity depended in large measure on the new alternative it could present to Republican policy. After the elections, however, this alternative was totally nonexistent and Democrats were divided on the majority of political issues. Thus, the grouping of traditional liberals in the House of Representatives opposed Reagan on practically every issue while the conservative faction expressed agreement with the president's approach. In the lower house of congress, there also formed a group of Democrats that refused to openly oppose Reagan, who had won the election by an impressive margin, that showed an inclination to compromise in the hope of "taking revenge" if he made a mistake. All this made it difficult to create an effective opposition to Republican policy, inter alia, in Central America.

At the same time, there has been serious, gradual change in the thinking of the American masses. Let us look at the most vivid examples. The intervention in Grenada in October 1983. A significant percentage of the Americans support a policy based on strength, including intervention, if it does not entail heavy human and material losses. The unknown American soldier killed in Vietnam was buried in May 1984. Americans, closing their eyes to the "sad" pages of their nation's history, applauded the veterans they had previously greeted "with a mixture of indifference and open hostility,"³ acknowledged them as national heroes. The Olympics in July 1984. The sharp rise of chauvinism in the USA. Americans perceive the victory of their countrymen in the games (in which the best athletes from a number of countries in the world did not participate) as evidence of the rebirth of U.S. might. There was an end to doubts, hesitation, and pessimism. TIME magazine described the feelings of Americans during the Olympics in the following words: "They saw the American torchbearer crossing America. But perhaps they also saw an American running from Spenglerian gloom...Running from a recession, which almost all Americans were probably unconsciously thinking about, from the Carter sickness, from the gasoline shortage, from the hostage situation and the feeling of American helplessness, from failure, narrowness and passivity, from dishonored presidents and a lost war. From what has become America's inferiority complex." Further: "Owing to a secret conspiracy of time, alchemy, sophisticated television technology and a happy economy, the nation acquired a feeling of unity and optimistic self-confidence that it had not known for a whole generation."⁴

The cited examples unequivocally indicate that the "Vietnam syndrome had waned, that the United States was gripped by a wave of so-called "new patriotism"--a complex conglomerate largely of old sentiments that reigned in the nation in the fifties. The feeling of national humiliation gave way to a feeling of national superiority, the inferiority complex became a superiority complex, doubts concerning America's strength and potential yielded to certainty as to its omnipotence, guilt feelings over crimes committed gave way to admiration for heroism, pessimism and skepticism yielded to optimism.

These feelings were for a long time fostered "from above" by the efforts of the Republican administration which inaugurated a policy of overcoming the "Vietnam syndrome." They also had a material foundation--favorable business conditions. The significant improvement in many American economic indicators in 1983-84 unquestionably had an impact on the nation's psychological atmosphere, restoring Americans' lost hopes in the future. Another factor that operated in favor of the "new patriotism" was the fact that a new generation that remembered little or knew nothing about the Vietnam war had grown up in the past decade. And finally, a most important part was played by extraordinary tenacity in the mass mind of the ideas of "God's design," "American exclusiveness," indisputable superiority, imperial ambitions, nationalism and chauvinism.⁵ As a result, the nation developed a psychological atmosphere that could nurture and intensify the continuation and intensification of a reactionary, hegemonistic foreign policy that flouts the norms of international law.

After Reagan's reelection, a group of ultra-hardliners on Nicaragua within the Republican administration, who called for the overthrow of the Sandinista government, stepped up their attempts to obtain sanction for the use of military force. There was unquestionably a certain logic in their actions: all previous means of struggle against Nicaragua, even though damaging that country, had not produced the desired results. The elections in Nicaragua showed that the majority of the population supports the Sandinista National Liberation Front despite the economic difficulties. It is not surprising that certain American politicians consider intervention to be the most effective means that would make it possible to cut the Gordian knot and put an end to revolutionary Nicaragua with a single blow. The situation in the USA following the presidential elections was thus in some ways even more propitious for an armed strike against Nicaragua than during Reagan's first term in office. Nevertheless, there were numerous factors that militated against immediate intervention. Paradoxical though it may seem, the primary concern was the mood of the American public.

Soon after the elections, there was evidence that the sentiments of the U.S. masses on foreign policy matters were varied. On the one hand, the facts showed that the "Vietnam syndrome" was abating. However, on the other hands, the polls showed that the public not only considered the Vietnam war wrong, but was also becoming increasingly skeptical of the use of military force abroad. According to one of these polls, in 1965 24 percent of the Americans called the Vietnam war a mistake; in 1971-73--56 percent; and in March 1985--64 percent. Seventy-five percent of the Americans have expressed the opinion that the White House should show more caution in the use of military force and only 17 percent favored the more active use of the U.S. armed forces in foreign countries.⁶

The public's attitude on this very important issue in U.S. foreign policy clearly contradicted the logic of the "new patriotism." One can only speculate regarding the reasons for this disparity. The first of them was probably rooted in the contradictoriness of the American social consciousness in which the striving for superiority was combined with the reluctance to risk paying too high a price for a dubious victory in some foreign country. The second reason in all probability was that the evolution of public sentiment

had not yet reached the final stage where the goal justifies any means. The third reason reason was probably that the poll included not only idolators of an "all-powerful America" but also included those Americans whose voices were drowned out by the cacophony of the "new patriotism," i. e., that part of the population which, not having a short historical memory, was not inclined to support military adventures.

Regardless of the reasons behind Americans' caution on the question of using military force, the result of these sentiments was beyond a doubt--the administration lacked the confidence that the necessary part of the U.S. public would support intervention in Central America.

As shown by debate in the USA on the use of the armed forces in foreign countries, American public opinion was of no little significance to the Reagan government.

G. Shultz and C. Weinberger were the principals in the debate. Neither the secretary of state nor the secretary of defense spoke out against the use of U.S. military force abroad. At the same time, both statesmen pointed out that military force should be used only as a final resort, i. e., when vitally important national interests were at stake and all other means of exerting pressure had failed. Nevertheless, Weinberger believed that before the administration sent forces overseas, it should have the support of the American people and congress. Shultz, on the other hand, did not believe that public support could be guaranteed in advance, but that it depends on the ability of the authorities to "act intelligently and effectively."⁷

With regard to intervention in Nicaragua, the administration lacked both the guaranteed support of Americans and the possibility of acting "intelligently and effectively." In the opinion of THE ECONOMIST, an authoritative journal, U.S. armed forces could easily occupy Nicaragua's major cities, but would be unable to subdue the majority of the country's population which would commence guerrilla warfare under the leadership of the Sandinistas.⁸

The resolve of the Nicaraguans to fight to the last drop of blood is beyond question. "We know that they (the Americans) may be victorious over us. But they will have to rule over skeletons and ashes. I prefer that my children die rather than live under [the Americans'] heel. We shall continue to struggle. We shall struggle to the end. We shall win or die." These are the words of a simple Nicaraguan woman to an American journalist. This is what another Nicaraguan told him: "...if we are unable to do anything more, every survivor will again return to the mountains. And we will start everything over again from the beginning. The Americans always want fast results. But not everyone is like them. The Vietnamese fought almost 30 years against the French and almost another 11 years against the USA. The Americans supported the Somozans and the National Guard and we had to fight them for 50 years, but we won because our people was unified. We will fight another 50 or 100 years. Our children will fight and their children will fight."⁹

The "limits to intervention" in Nicaragua were at hand regardless of whether the viewpoint of Shultz or Weinberger was taken as the basis. They were supplemented by certain other factors that were of no less importance,

specifically: the policy of negotiations with the USSR, which narrowed the potential for solutions based on military force; and the solidarity of socialist countries and other countries of the world with Nicaragua.

As a result of this, the administration was confronted with a difficult question: what to do with Nicaragua when armed intervention is difficult and in any case, when its preparation takes additional time and effort, in particular, the brainwashing of the American public and the weakening of the defensive capability of that Central American nation? Of course, it was out of the question to leave Nicaragua alone and to permit the country's legally elected government to pursue its own foreign and domestic policy. The political philosophy of the members of the Republican administration excluded the possibility of such a solution. At one of the first press conferences following his reelection, Reagan declared with remarkable candor that the aim of U.S. policy on Nicaragua is to change the "existing structure" of the Sandinista government. The practical meaning of this was explained a day later by Shultz, who advanced the demand for "fundamental change in Nicaragua's behavior in four areas: the termination of relations with the USSR and Cuba and the withdrawal of foreign military advisers; substantial reductions in the size of [Nicaragua's] armed forces; termination of support for the insurgency movement in the subregion; and permission to the armed opposition to participate in the nation's political process."¹⁰ The secretary of state's demands essentially boiled down to weakening Nicaragua's defensive capability and to admitting counterrevolutionaries to power. Referring to the methods by which the USA intended to bring about change in Nicaragua, Shultz declared: "We will acknowledge and welcome such change in Nicaragua's behavior regardless of how it comes about. It matters not the slightest to us whether it is the result of multilateral negotiations organized by the Sandinistas or together with the internal opposition or through the collapse of the Sandinista regime."

The speech by the secretary of state quite clearly defines the contours of U.S. policy in Nicaragua after the presidential elections. It combined with remarkable clarity the policy of creating conditions favorable to intervention on the one hand with undisguised pressure on the Sandinista government on the other.

Following the presidential elections, U.S. pressure on Nicaragua intensified in many directions. In January 1985, the White House unilaterally broke off negotiations with Nicaragua in Manzanillo. Thereafter the government demonstratively refused to recognize the jurisdiction of the World Court in the Hague which decreed that the USA should discontinue its support for armed actions against Nicaragua. Regularly scheduled American-Honduran maneuvers (Big Pine 3) began in February 1985. When journalists asked why the maneuvers were being held in Honduras, U.S. Secretary of Defense Weinberger replied: "We have to familiarize ourselves with the conditions under which American forces will some day have to fight."¹¹ In the same month, Honduras, El Salvador and Costa Rica responded to U.S. pressure and called off the regularly scheduled meeting of members of the "Contadora group." As a result, the situation in Central America sharply deteriorated.

In an effort to reduce tensions, the Nicaraguan government undertook a number of measures toward the unilateral fulfillment of the Act on Peace and Cooperation in Central America which was formulated by the "Contadora group." On 28 February 1985, it announced that it had declined the assistance of 100 Cuban military advisers and proclaimed a moratorium on the acquisition of new weapons systems. Honduras and El Salvador, however, did not follow this example. The U.S. Government lost no time depicting Nicaragua's peace-loving actions as the success of its pressure policy. It needed this in order to decide once and for all the question of aiding Nicaraguan counterrevolutionaries in its favor. As is known, in October 1984, on the eve of the elections, congressmen, not wishing to oppose Reagan whose popularity among Americans was beyond question, approved giving \$14 million to the "Contras." At the same time, being in large measure in disagreement with the administration on this question, they "froze" the transfer of this fund until February 1985.

On the eve of the renewed discussion on Capitol Hill regarding aid to the "Contras, the administration had little chance that the given measure would have a successful outcome. While no one in the congress was sympathetic to the Sandinistas, hatred for the counterrevolutionaries and disagreement with the government's methods at that moment clearly tipped the scales. Many parliamentarians realized that if they supported the president on this issue, they would subsequently find it much more difficult to oppose the intensification of military intervention in Nicaraguan affairs, which could lead to a prolonged, costly war and possibly even to the next defeat or, at least, to serious costs at the global level.

Broad opposition in Congress and the low effectiveness of the actions of the "Contras" indicated that the administration should refuse to finance them. Was that possible? Evidently not. First, the withdrawal of support for the counterrevolutionaries would be the equivalent of an admission that the administration had been wrong in its policy on Nicaragua. Second, without U.S. aid, the "Contra" forces would be deprived of their principal support and would probably disintegrate. Third, the administration counted on the counterrevolutionaries to create an effective army of occupation that might control the country after the U.S. armed forces made their "surgical" strikes against Nicaragua's major cities and military objectives. Fourth, the "Contras," which inflict damage on the Nicaraguan economy and sow death among the civilian population, are an additional lever for exerting pressure on the Sandinista government. To all appearances, these were the considerations that guided the Reagan administration when it launched the so-called "propaganda battle" in defense of the "Contras." In order to win Congress over to their side, members of the administration tried to create an image of so-called "freedom fighters" that would be acceptable to Americans. "They are our brothers," declared the head of the White House in his 16 February radio address. Several days later, the president compared the counterrevolutionaries with such true freedom fighters as Lafayette, Kosciuszko, the heroes of the French resistance, and Simon Bolivar, and later called the "Contras" the "moral equivalent of our Founding Fathers!"¹² Highly placed members of the administration made similar pronouncements. Nevertheless, the results of the "battle of words" proved depressing to the administration. When, for example, the secretary of state declared in

Congress that the Sandinistas were trafficking in cocaine, T. Weiss, a member of the House of Representatives, declared that this charge was unfounded and a la J. McCarthy, accused Nicaragua. Evaluation of the "propaganda war" in the press was no better. As the WASHINGTON POST wrote: "Reagan distorts his words, calling the 'Contras' 'freedom fighters.' The methods of their struggle--the murder of civilians, the destruction of hospitals and schools, the abduction of nurses and doctors--were so repugnant that Congress voted against the continuation of aid three times. The 'Contras' have been regarded as hustlers and not as freedom fighters."¹⁴

Sensing that the propaganda campaign was not working, the administration changed its tactics and submitted its so-called "peace plan" to congress. The document called upon the Nicaraguan government to conduct negotiations with the counterrevolutionaries for 60 days, to hold a cease-fire during that period, to organize new elections with the participation of the armed opposition, and to renounce the aid of foreign countries.¹⁵ Reagan also postponed until 1 October 1985 the request for military aid by the "Contras" and announced that \$14 million would be sent in the form of "humanitarian" aid (vehicles, uniforms, drugs, and food).

The U.S. administration advanced a proposal that was obviously unacceptable to the Nicaraguan government on the assumption that the refusal of the Sandinistas to commence negotiations with the armed opposition would force congressmen to change their views. In the event this did not work, the "peace plan" contained one very important addition according to which counterrevolutionaries could use U.S. aid to purchase arms and equipment if after two months the Sandinistas did not agree to the demands of the White House.

Few in congress were deceived by the administration's maneuver. House Speaker T. O'Neill called the plan a "dirty trick"; Democrat N. Mineta called it a "60-day smokescreen."¹⁶ Nevertheless, both Republicans and Democrats stepped up their search for a mutually acceptable agreement with the administration.

Of course, the striving of congressmen for compromise had a point of origin. The class hatred of the Sandinistas gradually did its job. Even many liberals did not wish to stop all aid to the "Contras" in the belief that it was necessary to use this as a means of exerting pressure on the Nicaraguan government. Moreover, among the Democrats there was a certain reluctance to bear responsibility for the defeat of the USA in Central America. J. Jones, a member of the House of Representatives, declared: "If you vote against Reagan, leaving him no alternative, and something goes wrong, the responsibility will be yours."¹⁷ And finally, after resorting to blackmail, the administration confronted legislators with a complex choice. In a secret message to Congress, it stated that the only alternative to pressure exerted by "Contra" forces was the still costlier policy of containing Nicaragua. The White House excluded for the time being the possibility of the "direct application of U.S. military force," but unequivocally warned that "this course, considering our stakes in the subregion, must be realistically recognized as a possible variant if other political alternatives fail."¹⁸ The congressmen thus had to choose between the "Contras" and the fear of U.S. involvement in a new and prolonged military conflict.

The struggle between various trends predetermined the very complex array of forces in Congress. It would hardly have been possible to reach a compromise in such a situation in a short period of time. The "humanitarian" aid bill proposed by Reagan passed in the senate by a vote of 53 (43 Republicans and 10 Democrats) to 46 (37 Democrats and 9 Republicans). The House of Representatives, on the other hand, voted down the bill (248:180). With a vote of 219 against 206, it supported the proposal by M. Baris to make \$10 million available to Nicaraguan refugees through the Red Cross and \$4 million to the "Contadora group" for financing the peaceful regulation of the Central American conflict.¹⁹

The vote in the House of Representatives marked Reagan's first defeat in Congress since his reelection. The administration's stern reaction was not long in coming. In May 1985, the USA established an economic blockade of Nicaragua. The embargo was an integral part of the U.S. military political strategy for removing the Sandinistas from power. Its principal aim was to make the country's economic problems worse, thereby causing dissatisfaction among the Nicaraguan masses and creating a pressure lever for augmenting the actions of the "Contras."

The embargo was not enthusiastically received by the U.S. Congress. Negatively evaluating the administration's actions, Baris, a member of the House of Representatives, sarcastically noted: "The president has done a wonderful job of justifying D. Ortega's economic mission to Moscow and Eastern Europe by showing that the USA truly intends to smother Nicaragua economically."²⁰

Literally one month later, many congressmen substantially modified their stand. On 12 June, the House of Representatives, following the Senate's lead, voted 248 (175 Republicans and 73 Democrats) to 183 to allocate \$27 million in "strictly nonmilitary aid" to the "Contras" through a government agency other than the CIA and the Department of Defense between June 1985 and April 1986.²²

What happened? Why did the House of Representatives in a very short time go from refusing any aid whatsoever to the counterrevolutionaries to agreeing to grant them "nonmilitary" aid? The most common explanation in the Western press was as follows: the decision of the House of Representatives was due to the negative reaction of congressmen to D. Ortega's visit to the Soviet Union. However, it is impossible to agree with such an interpretation. D. Ortega had repeatedly visited the USSR and other socialist countries before May 1985. What is more, it is quite well known that during the Nicaraguan leader's last visit, the talks were devoted to purely economic issues.

In reality, the change in the stand taken by the House of Representatives was primarily due to the changes that had matured in the Democrats' camp since the defeat of W. Mondale in the presidential elections. The Democratic Party tenaciously looked for an alternative to the Republican administration's policy that would win the voters over to its side. It naturally formulated its platform primarily on the basis of public sentiments. By June 1985, official Washington policy of generating the "new patriotism" had produced certain results: there was clearly a higher degree of dedication of the U.S. masses to policy based on strength and an increase in anticommunist feeling.

This is eloquently attested to by the enormous success of Rambo II--a film describing the imaginary exploits of a veteran of the Vietnam war in the name of salvation of American prisoners of war, who are still supposedly in Vietnam, from the clutches of "communist despots." Soviet journalist V. Simonov offers the following description of the reaction of Americans to the wild imagination of the authors of the script: "At Movieland, a New York movie theater, I spent more time looking about me than at the screen. It was unimaginable! Every time Rambo sent a "red adversary" to meet his ancestors, the viewers jumped to their feet, flashed the "V for victory" sign with their fingers, and roared: USA, USA, USA! We have already seen this insanity and the raised hands...."²³

On the whole, THE ECONOMIST accurately described the ambiguity of social feeling in the USA: "the American public definitely does not want another Cuba, but it is even more anxious to avoid another Vietnam...."²⁴

The reaction of the House of Representatives becomes understandable in the light of the ambiguous feelings of Americans. Many Democrats preparing for the 1986 congressional elections did not want to appear soft in the voters' eyes, nor did they want to see a repetition of Vietnam.

The voting on financing of the "Contras" was evidence that the Democratic party had evolved in the direction of a harder line on foreign policy and national security. Congressman B. Richardson summarized the new approach in the following words: "Our entire liberal reaction in the area of foreign policy is somewhat obsolete. We must not react automatically, as we have done, and say "no" to everything that concerns national security."²⁵ Even though Democratic leaders in congress such as T. O'Neill, speaker in the House of Representatives; J. Wright, leader of the Democratic majority, and others, have continued to take a liberal stand on Nicaragua, the "new school of thought" has found advocates among roughly one-third of the party's members in Congress.

This has proven to be all that was needed to create a stable majority to support many of the Republican administration's foreign policy proposals. This majority has even grown at times, when the "new centrists" have been joined by certain other Democrats for political considerations. In regard to Nicaragua, this has in particular been expressed in the fact that the House of Representatives has given the president the right to send troops to that country if the lives and property of American citizens are in danger, if it imports Soviet fighter planes, or in response to the seizure of hostages and other types of terrorism. At the same time, this right is limited: the government may not send troops to Nicaragua on the ground that the Sandinistas are maintaining partisans in neighboring countries.²⁶

These and other data show that the shift to the right in Congress is not absolute. Nevertheless, there has been an increase in conservatism, if partly only temporary, and additional impetus has been given in particular to the government's policy on Central America.

The administration still did not win the right to intervene in Nicaragua because the problem continued to be not so much how to launch the invasion as how to carry it off successfully in a short period of time. Work on plans for the intervention continued, but talk of it diminished: preparations for the Geneva talks were under way. Everything else remained the same.

Nicaraguan counterrevolutionaries have received from the USA: moral support, official "humanitarian" aid and unofficial military aid that the administration sent by private channels (approximately \$25 million in 1985)²⁷. Becoming confident of U.S. support, the "Contras" immediately launched an offensive inside Nicaragua. The administration's task was now to increase the size of the counterrevolutionary army to 35,000 men in the next few months. At the same time, the administration continued to sabotage efforts to bring about a peaceful settlement of the conflict in Central America. As a result of this, the prospects for a political solution in the subregion have worsened still more.

There are numerous facts showing that the policy of the Republican administration on Nicaragua remained unchanged even in fall of 1985, i.e., on the eve of the Soviet-American summit meeting. But let us concentrate on one. Speaking at the UN on 24 October, Reagan included Nicaragua among those countries in which revolution is declared to be the product of "Soviet expansion" and declared that he intended to discuss the situation in that country together with a number of other regional problems with M. S. Gorbachev, general secretary, CPSU Central Committee. Essentially, the attempt was made not only to shift the problem of the revolutionary movement in different parts of the world, including Central America, to the plane of the East-West confrontation, but also to supplant it, or at least to complicate the discussion of the principal international problem--the prevention of the militarization of space and the reduction of nuclear arms--by the problem of regional conflicts.

As is known, the Geneva summit created prerequisites for a turn to the better in international relations. The improvement in these relations could play a positive part in the peaceful regulation of local conflicts.

Nevertheless, the American administration continues to prefer to take a hardline approach to the liberation movement in Central America and elsewhere in the world. Its position on this question continues to be the direct opposite of the position taken by the forces of progress and democracy. An example of this is the debate in U.S. ruling circles on the aggressive doctrine of so-called "low-intensity conflicts." This doctrine, if elevated to the rank of official U.S. policy, can lead to a new round of intervention in the developing world. It threatens the peoples of the liberated countries, including Nicaragua, who are fighting the forces of local reaction and American imperialism.

FOOTNOTES

1. "Text of 1984 Republican Party Platform," CONGRESSIONAL QUARTERLY WEEKLY REPORT, Washington, 1984, Vol 42, No 34, p 2112.

2. Ibid.
3. NEWSWEEK, New York, 1985, Vol CV, No 15, p 24.
4. TIME, New York, 1985, Vol 125, No 1, p 6.
5. See: SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, 1984, No 4, p 46; 1985, No 10, pp 26-36.
6. NEWSWEEK, 1985, Vol CV, No 15, p 26.
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8. THE ECONOMIST, London, 1984, Vol 293, No 7368, pp 49-50.
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13. NEWSWEEK, 1985, Vol CV, No 10, p 15.
14. THE WASHINGTON POST, 2 March 1985.
15. GRANMA, 5 April 1985.
16. NEWSWEEK, 1985, Vol CV, No 15, p 16.
17. NEWSWEEK, 1985, Vol CV, No 17, p 35.
18. THE ECONOMIST, 1985, Vol 295, No 7390, p 32.
19. GRANMA, 25 April 1985.
20. TIME, 1985, Vol 125, No 19, p 29.
21. The senate's decision provides that the funds be distributed by the CIA under the supervision of the National Security Council.
22. THE ECONOMIST, 1985, Vol 295, No 7398, p 38.
23. V. Simonov, "An Essay on the 'New American Patriotism,'" LITERATURNAYA GAZETA, 1985, No 42, p 14.
24. THE ECONOMIST, 1985, Vol 295, No 7398, p 38.

25. NEWSWEEK, 1985, Vol CV, No 25, p 29.
26. THE ECONOMIST, 1985, Vol 296, No 7401, p 46.
27. NEWSWEEK, 1985, Vol CVI, No 7, p 17.

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LATIN AMERICA AND CARIBBEAN

MEXICO'S FINANCIAL CRISIS, FOREIGN DEBT PROBLEM EXAMINED

Moscow LATINSKAYA AMERIKA in Russian No 5, May 86 pp 44-51

[Article by A. N. Borovkov: "Mexico: in the Search for a Solution to the Crisis"]

[Text] Upon taking office in the face of a financial and economic crisis of unprecedented depth, the government of Miguel de la Madrid encountered numerous difficult problems. In 1982, the domestic gross product declined by 0.5 percent for the first time in recent decades. Inflation reached 100 percent. Unemployment doubled. The state budget deficit rose to 18 percent of the domestic gross product. The Mexican peso was devalued by more than 80 percent during 1982. The foreign debt was \$83 billion and was continuing to grow. Production declined and there was a sharp reduction in export revenues.¹ Acknowledging the critical situation in which the country found itself, the new leadership emphasized its dedication to the politics of "economic realism." At the same time, based on the existing situation, M. de la Madrid advanced two major initiatives--"moral renewal" and the decentralization of the country's socioeconomic life.

The "moral renewal" slogan reflected the mood of the masses who were indignant over the scale of corruption in government. This presidential initiative was implemented in practice. Many prominent officials of the previous administration, including H. Diaz Serrano, former president of PEMEX (the Mexican state oil company) and Mexican police chief A. Duraso, were indicted and tried for abusing their official position, for trying to amass a fortune, for squandering government funds, etc. An earnest purge was made of the middle and lower echelons of the civil service and police and top state employees received a cut in pay.

The idea of decentralization sets the goal of deconcentrating industrial enterprises, certain administrative institutions and educational institutions in the capital, which should reduce pollution and above all create a better geographical balance in the nation's economic structure. At the same time, the government concentrated its efforts on four main targets of the National Plan for Development in 1983-88: the preservation and strengthening of

democratic institutions; the resolution of the crisis; the restoration of economic growth rates; and qualitative reforms of economic, political and social structures.

These targets in turn include a complex of short- and long-term measures. The former include strengthening the exchange rate of the national currency, lowering the rate of inflation, and reducing the foreign debt and inflation. The latter include structural changes in the interest of stable socioeconomic development for an extended period.² They are understood to mean the "improvement" of capitalist relations and a higher degree of the country's involvement in the world capitalist economy.

The plan calls for the reorientation of the production model toward the intensification of exports of industrial commodities in view of the dubious prospects for the growth of currency receipts from oil exports and the narrowing of the state sector as a result of enterprises operating at a loss. In order to make the products produced by the state sector more competitive, the government has begun abandoning the traditional practice of paternalism. It has been decided to grant subsidies, credits and other benefits selectively depending on the degree of economic effectiveness of a given enterprise.

Tasks pertaining to combating crisis phenomena are articulated in the two-year "Program of Immediate Economic Reforms." The program basically entails cutting state spending on social needs and on a number of previously planned construction projects, freezing workers' pay, lowering taxes on private enterprises, reducing imports, introducing a "floating" exchange vis-a-vis the dollar, the liberalization of foreign trade, and expanding the influx of foreign capital investment.³

At the cost of substantial cutbacks in spending on social programs, the program was instrumental in improving the desperate economic situation to some degree: the internal gross product increased by 3.5 percent in 1984, agricultural and industrial output rose as did production in the extractive industry, including petroleum products. The volume of construction and electric power production also expanded. Exports increased by 31.9 percent; imports of industrial production increased by 17.9 percent.⁴ The nationalization of the banks by the previous administration made it possible to stem the flow of foreign currency abroad and to increase currency reserves. The budget deficit dropped to 8.7 percent in 1983. The improvement in the balance of payments enabled Mexico to resume payments on its foreign debt, which in turn raised the confidence of private foreign banks in the country and prompted them to agree to reschedule debt repayment and to offer new credit under relatively favorable terms.

These changes in the economy gave the government grounds for a certain measure of optimism. In his second message to congress (September 1984), M. de la Madrid declared: "The worst aspects of the crisis are behind us. We are now proceeding to make qualitative changes in our development strategy for the radical solution of the problems confronting us."⁵

Nevertheless, the difference between the encouraging indicators for 1984 and the high point of the crisis of 1982-83 was quite modest. The target for reducing the growth rate of inflation--one of the factors threatening the stability of the economic recovery program--was not met. Thus, instead of the 60 percent increase projected for 1983 and the 40 percent increase envisaged for 1984, inflation rose by 80 and 60 percent, respectively in these years.⁶ Despite the fact that the government created 240,000 additional guaranteed jobs, unemployment at the end of 1984 was 13.4 percent compared with 8 percent in 1982.⁷

These and other indicators showed that stabilization measures adopted by the Mexican government at the insistence of the IMF had only produced a short-term effect and had not made the economy any less vulnerable to market conditions in the world capitalist economy. By mid-1985, Mexico's foreign debt had grown to \$94.4 billion.⁸ Percentage payments reached more than \$11 billion a year. In addition to this, as a result of the drop in world oil prices, a number of West European countries discontinued importing the relatively more expensive Mexican oil. In order not to lose customers and to retain its market, the government lowered prices on exported oil to below the world level, which meant \$ loss of roughly \$1 billion a year. By the end of the first quarter of 1985, Mexican oil exports had declined by 10 percent compared with 1984, while industrial imports had risen by 38.4 percent.⁹ In the brief period between January and June 1985, its active balance of payments dropped from \$3.4 billion to \$20 million.¹⁰ The continuing devaluation of the Mexican peso prompted another increase in the scale of currency speculation and in the outflow of foreign currency; between January and March 1985, \$2 billion were exported from the country.¹¹

During a trip to Western Europe in June 1985, the Mexican president visited Spain, England, Belgium, the Federal Republic of Germany, and France. Foreign policy matters and especially the situation in Central America occupied an important place in talks with the leaders of these countries. Nevertheless, the main purpose of the trip was to encourage Western Europe to cooperate more actively with Mexico in trade, economics, and finance. In the course of the visits, 45 agreements were signed on joint capital investments in various projects in industry, foreign trade and tourism for a combined total of about \$600 million.¹² Soon thereafter, the government announced the latest, their reduction in prices on exported oil in the current year and the devaluation of the Mexican peso by 20 percent.

Addressing a meeting of representatives of national banks in Guadalajara on 22 July 1985, M. de la Madrid announced the practical implementation of "radical structural reforms" envisaged in the National Plan for Development. Among his basic goals, the president placed particular emphasis on the reduction of current expenditures, on replacing licenses for imports of goods and services with a system of tariffs, on improving the tax system in the interest of increasing state revenues, and on increasing the state's functions as a financial mediator.

The government believes that the steps that are being taken will make it possible to obtain new credits, to import modern technology, and to gradually

draw closer to the leading capitalist countries' level of industrial development.

At the same time, the foreign debt problem stands out among the complex economic problems confronting Mexican society. Among the debtors in the developing countries, Mexico is in second place after Brazil: in 1985, Mexico's foreign debt totaled \$97.7 billion.¹³ While the crisis started in the second half of 1981, its symptoms made themselves known with increasing frequency in preceding years. Declining oil revenues, the sharp rise in interest rates in the international loan market, and other factors of an external and internal character led the country to the brink of financial ruin. In August 1982, Mexico announced a three-month moratorium on its foreign debt payments. At the same time, it commenced intensive negotiations with creditors that lasted until September 1984. As a result of the negotiations, it was possible to postpone the repayment of \$48.7 billion of the debt. Mexico also obtained additional credits in the amount of \$5 billion (March 1983) and \$3.8 billion (April 1984).¹⁴ Under the new terms, the repayment of the sum indicated above was extended from 6 to 14 years and Mexico was exempted from commission fees.¹⁵ Annual interest payments on state and private debts before the end of the decade were established at the level \$10 billion; amortization--\$4 billion on the average; 1985 was a year of preferential terms (see Table 1).

Table 1. Servicing of Mexico's Foreign Debt in 1985-88; Billions of Dollars¹⁶
(1986-88--projected)

| Year | Internal gross product | Foreign debt | Interest and amortization payments | Ratio of foreign debt to internal gross product |
|------|------------------------|--------------|------------------------------------|---|
| 1985 | 184.7 | 97.7 | 10 | 53.0 |
| 1986 | 193.0 | 102.7 | 14 | 53.2 |
| 1987 | 207.5 | 106.7 | 14 | 51.4 |
| 1988 | 223.0 | 110.0 | 14 | 49.2 |

While the refinancing of part of the foreign debt temporarily made the problem less acute, the country's dependence on the IMF and its major creditors intensified. Suffice it to recall that 4 months after the signing of the agreement, the Mexican government, yielding to pressure from the IMF, sharply devalued the peso and cut state spending, which had a negative impact on production, on foreign trade, and, naturally, on the plight of the working people.

In 1983-88, the country will have to pay its creditors \$85.3 billion, i. e., a sum that is \$2 billion greater than the entire foreign debt inherited by the government from the previous administration. Nevertheless, estimates show that indebtedness by the end of the president's term in office will not only not be smaller, but to the contrary will increase by \$26.5 billion compared with 1982.

Debt payments have become a heavy burden on the Mexican economy and a serious obstacle to the nation's development. More and more of the nation's wealth is

spent not to increase productive capital investments but in vain attempts to satisfy the demands of imperialist creditors. While in 1970, 2.8 percent of the domestic gross product was used to service the foreign debt and 22.7 percent went to gross investments, in 1984 the respective figures were 9.3 and 16.8 percent. This trend will evidently continue.

Table 2. Dynamics of Mexican Foreign Trade in 1982-88; Billions of Dollars¹⁷
(1986-88--projected)

| Indicator | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 |
|-------------------|------|-------|-------|------|------|------|------|
| Exports | 21.2 | 22.3 | 24.0 | 23.0 | 25.1 | 26.5 | 28.2 |
| Imports | 14.4 | 8.5 | 11.2 | 15.6 | 16.3 | 18.0 | 19.8 |
| Balance | 6.8 | 13.8 | 12.8 | 7.4 | 8.8 | 8.5 | 8.4 |
| Interest payments | 12.2 | 10.19 | 11.85 | 10.0 | 10.0 | 10.0 | 10.0 |

The question of currency sources acquires particular importance in this regard. As is known, export revenues are the most important of these sources. Table 2 reveals that a certain increase in them is expected in the next 3 years. However, the debt interest alone swallows up about 40 percent of the export revenues. What is more, an annual increase in imports by approximately \$2 billion is planned for even the most minimal economic growth. Whatever the case, the positive foreign trade balance in the period between 1986 and 1988 will be lower than between 1982 and 1984 and, as in 1985, will not be sufficient to pay interest costs. It should also be remembered that the data cited in the table do not take into account the proposed further decline of oil prices. There are also other adverse factors such as the consequences of Mexico's entry in GATT, the possibility of another rise in interest rates, the continuing flight of capital out of the country, etc.

The fulfillment of foreign debt obligations and the growth of the Mexican economy in general continue to be connected to obtaining new foreign loans. The result is a vicious circle: the more the country pays to foreign banks, the greater its need for funds which it must once again obtain in the form of foreign loans. In other words, the debt grows. But it would be a mistake to think that the Mexican government does not understand what is happening. Addressing representatives of the IMF and IBRD in April 1985, J. Herzog Flores Silva, secretary of finance and public credit, declared that the foreign debt problem has not been resolved and that there is no hope for its solution as long as debt servicing swallows up a considerable part of the resources, especially currency, when exports to the developed countries is limited, and when a heavy social and political price has to be paid for stabilization.¹⁸

In his third message to congress on 1 September 1985, the president of Mexico observed: "The urgency of the foreign debt problem has diminished but the question has not been entirely resolved. Interest payments are very high and are a threat in connection with the possibility of the lowering of currency

receipts from exports or tourism as well as higher interest rates...We shall continue to negotiate for better debt payoff terms and for refinancing within reasonable limits."¹⁹

The nation's leftist parties, trade unions, progressive social organizations, and academic circles, however, believe that it is necessary to take not only financial, but also political measures, the effectiveness of which depends to a considerable degree on the strengthening of the unity of Latin American countries. The debate on the foreign debt problem heated up with particular intensity following the catastrophic earthquake in September, which still further aggravated the situation notwithstanding the fact that the government managed to obtain from its creditors a postponement of a \$950 million payment that was due at the beginning of October 1985.

Since the demands of the Mexican public to discontinue interest payments or to resort to a moratorium are becoming more and more insistent, the president has announced a "national forum for the discussion and analysis of the foreign debt problem" to be held within the framework of the Chamber of Deputies of the National Congress. The first discussion took place in Tijuana, the second is planned for Oaxaca; the third for Toluca. The government cites the following conclusions to justify its stand on this issue: refusal to pay or a moratorium will cause the deterioration of relations with the leading capitalist countries and the economic isolation of Mexico, which will be reflected both in national exports and in the nation's international credit standing. As regards statements as to the impossibility of paying off the foreign debt, in an interview with the newspaper EXCELSIOR, the president declared: "The payment of the debt would be impossible if we had not secured additional financing of development or if we ceased obtaining new foreign loans...."²⁰

The 3.5 years M. de la Madrid has been in office is a sufficiently long time to draw certain conclusions. In the face of the deep economic crisis, the new leadership evidently emphasized neoliberalism in the economy even though the model of dependent development has most obviously demonstrated its lack of viability. The practical implementation of this policy under the flag of "structural reforms" leads to the gradual elimination of obstacles to foreign capital, to the triumph of the principle of "free competition," which undermines the economic independence of the developing countries. Thousands of small and medium-size enterprises and, above all, the state sector--the bulwark of the Mexican economy--are being sacrificed to appease transnational corporations and the large national bourgeoisie connected with them.

The long-range economic strategy is based on a model of reproduction that calls for the intensive development of export, especially the products of the manufacturing industry, in order to reduce the dependence of the economy on fluctuations in world oil prices and to raise the country's effective demand. However, the foreign debt crisis made the attainment of these goals directly dependent on additional foreign financing.

In the past period, the government succeeded in alleviating the situation, but did not resolve the crisis. An official document entitled "General Criteria of Economic Policy for the Federal Budget Bill for 1986" declared that the

tasks scheduled for the first half of the present administration's term of office had not been fulfilled. The actual insolvency of plans for the next 3 years was also confirmed in practice. While the growth of the internal gross product was planned at the level of six percent for 1986, the budget approved by congress was compiled on the basis of a one percent maximum possible increase, i. e., on the average 2.5-3.5 percent less than in the two preceding years. The estimated rate of inflation according to the National Development Plan was less than 5- 10 percent, while the budget for 1986 envisaged a rate of 45-50 percent.²¹ While the foreign trade balance is positive, in the next 3 years it will be lower than in 1983 and 1984--on the average, at the level of \$8.5 billion, at the same time that the country must pay \$10 billion in interest alone every year. The removal of restrictions on imports and the discontinuation of export subsidies will inevitably reduce the positive balance further.

The government continues to face complex problems, the solution of which will in large measure determine the nation's development in years to come.

FOOTNOTES

1. ESTRATEGIA, Mexico City, 1984, No 56; Plan Nacional de Desarrollo 1983-1988. Suplemento de "Comercio exterior," Mexico, No 6, 1983, p 3; EL DIA, Mexico City, 25 Feb 85; REPORTE DE COYUNTURA, Mexico City, No 18-19, 1985, p 3; "Segundo Informe de Gobierno," COMERCIO EXTERIOR, No 9, 1984, p 810.
2. Plan Nacional de Desarrollo..., p 46.
3. In accordance with the terms of the agreement concluded with the IMF on postponing foreign debt payments soon after the government came to power, the government substantially reduced state investments and expenditures on construction, raised prices on gasoline, electric power, transport, and telephone; reduced subsidies for the vital necessities, that were becoming more expensive, including food; and carried out a number of other measures within the framework of the policy of "economic austerity."
4. ESTRATEGIA, No 62, 1985, p 2.
5. COMERCIO EXTERIOR, No 9, 1984, p 807.
6. ESTRATEGIA, No 62, 1986, p 7.
7. EL DIA, 28 Aug 85.
8. Ibid., 5 Jul 85.
9. PROCESO, Mexico City, No 453, 1985, p 18.
10. EL DIA, 25 Oct 85.
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12. For more detail, see: EL MERCADO DE VALORES, Mexico City, No 26, 1985.
13. PRAVDA, 31 Jan 86.
14. Secretaria de hacienda y credito publico. Estrategia de la reestructuracion de la deuda externa de Mexico, Mexico City, October 1985, p 13.
15. Ibid., p 14.
16. Calculated on the basis of: Estrategia de reestructuracion....; Presidencia de la Republica. Criterios generales de politica economica para la iniciativa de ley de ingresos y el proyecto de presupuesto de egresos de la federacion, correspondientes a 1986, Mexico City, November 1985.
17. Calculated on the basis of: Banco de Mexico. Indicadores economicos. IV. Indicadores del sector externo, September 1985; EL FINANCIERO, Mexico City, 12 Nov 85; Criterios generales de politica economica para la iniciativa...; Development Financing Strategy. Secretaria de hacienda y credito publico, Mexico City, 20 Jul 84.
18. Estrategia de la reestructuracion...., p 16.
19. Ibid.
20. EXCELSIOR, Mexico City, 3 Dec 85.
21. Criterios generales de politica economica para la iniciativa...

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LATIN AMERICA AND CARIBBEAN

ACTIVITIES OF 'CHE GUEVARA' INTERNATIONAL FRIENDSHIP CLUB

Moscow LATINSKAYA AMERIKA in Russian No 5, May 86 p 118

[Article by A. I. Leontyev: "Welcome to the International Friendship Club!"]

[Text] School No 82, where Spanish is studied starting in the second grade, is located in a five-story building on a quiet Moscow street not far from the Sokol subway station. But it is not merely a school subject: all the children are genuinely interested in Spanish and in the history and culture of Spanish-speaking peoples.

This is largely the result of the efforts of the school's International Friendship Club which was founded in 1973. Since then, it has grown into a large, authoritative organization. The club's honorary members include: A. I. Alekskeyev, the first Soviet ambassador to Cuba; Sebastian Alarcon, famous Chilean film director, and others.

The International Friendship Club bears the name of Ernesto Che Guevara, Cuban national hero, distinguished revolutionary, and freedom fighter. Therefore, everything pertaining to Cuba and the liberation movement of Latin American countries is particularly dear to the children. "We shall be like Che" are the last words of the oath that is recited before the president of the club presents membership cards to new members.

The International Friendship Club has several sections: information, regional studies, art, photography, correspondence, stage design. The recently established "Spanish theater" already has two numbers in its repertoire: fragments from the immortal "Fuenteovejuna" and the satirical play "Don Generoso de lo Ajeno."

The International Friendship Club resumes its activity on the first of September of every year. The information section conducts talks on the most important events in Latin America; the correspondence section drafts replies to numerous letters from Cuba, Venezuela, Mexico, Nicaragua... Their foreign friends tell them about many interesting things. It is thus possible to use these letters as didactic material in Spanish lessons. The designers conduct political poster contests, publish wall newspapers on various topics, and

prepare exhibits. A special exhibit was devoted to space and this was not by chance: one of the school's classrooms bears the name of Arnaldo Tamajo Mendez, the first Cuban cosmonaut.

International friendship evenings have become a unique mirror of the club's work. The International Friendship Club also has many other traditions: meetings with interesting people, friendship collection bags, solidarity fairs. A friendship collection bag filled with toys and school accessories collected by the children themselves was presented for the children of Sandino's country at a meeting that was held to open the USSR-Nicaragua Friendship Society in the House for Friendship With Peoples From Foreign Countries.

The school's doors are open to all who wish to become more closely acquainted with the work of the International Friendship Club. Its address: 3 Dubosekovskaya Street.

Welcome!

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CSO: 1807/298

LATIN AMERICA AND CARIBBEAN

BOOK ON SALVADOR REVOLUTION'S HISTORY, LEADER FARABUNDO MARTI

Moscow LATINSKAYA AMERIKA in Russian No 5, May 86 pp 127-128

[Review by Yu. N. Korolev of book "Nepokorennyy vulkan" [The Indomitable Volcano] by A. A. Petrukhin and Ye. M. Churilov, Moscow, Izdatelstvo politicheskoy literatury, 1985, 256 pages]

[Text] The central figure in the book is Farabundo Marti, legendary Latin American revolutionary, an associate of Sandino, and founder of the Communist Party of El Salvador. The very name of the principal hero determines the timeliness of the chosen topic. The authors present a lively, absorbing account of a tireless struggler-communist who, as Jorge Jandal Shafik, general secretary of the El Salvador CP Central Committee, states in a brief message to the Soviet reader, "at the behest of the El Salvador CP Central Committee raised to armed struggle the working masses of El Salvador who attempted to 'storm the skies' on 22 January 1932" (p 3).

The authors not only recreate the difficult life of the people's leader--a totally honest man who gave his all to the struggle for social justice. The reader is presented with the image of a large-scale political leader who is capable of seeing the major goal clearly, analyzing the real situation in depth, reaching uncompromising decisions, and leading those of similar persuasion. F. Marti was a practical revolutionary with a firm grasp of Marxism-Leninism. Under the grim conditions of dictatorship, he fearlessly and tenaciously prepared the armed uprising. It was clear to him that the revolutionary spirit of the masses was ahead of the party's organizational preparedness, that the uprising could turn into a spontaneous riot which would inevitably be followed by defeat and incalculable losses. But it was his decision to be together with the people rather than to stand to one side and wait out a risky, unclear situation. Under F. Marti's leadership, insurgency cells were set up throughout the entire country, weapons were amassed, and worker-peasant detachments were formed. The authors did a good job of focusing attention on the work of F. Marti in the armed forces, as a result of which entire units were prepared to function on the side of the people.

In the very first pages, the reader is immerse in the atmosphere of the civil war of many years duration that is presently going on in El Salvador, where the revolutionary forces fight under the banner of Farabundo Marti. The authors do not merely confine their efforts to demonstrating the ties between

past and present. The historical continuity of days past and present is revealed in the profound analysis of the content and character of the people's uprising of the 30s and the revolutionary struggle of the 80s. The party of the working class studied the lessons of defeat and the subsequent struggle against bloody dictatorships. The country itself changed and capitalist relations were affirmed in society. Imperialism and reaction were compelled to maneuver under pressure from unceasing actions by the working class, the peasantry and all working people: history had shown that repressions alone were not enough to break the revolutionary antiimperialists. In league with the USA, the local bourgeoisie, while continuing its attempts at direct suppression of the people's struggle, was compelled to proclaim reforms in an effort to sow discord among the democratic forces. At the same time, the content of the proclaimed reformist programs reveals that their slogans were directly borrowed from the revolutionary movement. This is the limit, beyond which the dominant classes have nowhere to go.

The book does not present a simple, schematic picture of the reality of El Salvador today. The struggle is difficult and uncompromising: it includes not only victories, that are won at a high price, but also defeats and bitter lessons. The pages exude unforgettable pain in their account of the death of Anna Maria, a remarkable revolutionary, one of the leaders of the people's revolution who was a legend in her lifetime. With incredible effort, Anna Maria received an education, became a doctor of sciences, and chairman of the Teachers' Association. A professional revolutionary from her early years, she headed one of the largest guerrilla units at a time that was decisive for her country. In the battles against the army of the dictatorship, she revealed her talent not only as a scholar and public figure but also as a military leader. More than once, punitive forces trained at American bases fled the field of battle under the blows of detachments under her command. And then came her cruel death. This is a true life tragedy--one of many fates in the history of the revolution.

An indisputable merit of the book is that rigorous scientific analysis has not suffered from the popular tenor of presentation. It does not contain the frequent digressions and concessions "to the average reader" that unfortunately abound in this genre. The authors have confirmed the old truth that even the most complex things can be described in simple, comprehensible terms. The affirmation of the truth of life is another characteristic feature of the work that includes materials, documents and photographic illustrations, that shows the face of civil war and imperialist intervention without embellishment or exaggeration.

A good book inspires thought and one would like to suggest that the authors more fully show the ideological development of Farabundo Marti more completely, that they describe the difficult road to unity in the revolutionary movement in greater detail, and that they focus more attention on the driving forces behind the revolution. But no single work can be the

final word on a truly important topic and one must think that the authors will have another opportunity to tell their readers the things that remain untold: they already have their readership which awaits new books from them.

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LATIN AMERICA AND CARIBBEAN

BOOK ON ECONOMIC FORMS OF AMERICAN 'NEOCOLONIALISM' REVIEWED

Moscow LATINSKAYA AMERIKA in Russian No 5, May 86 pp 128-129

[Review by Z. V. Ivanovskiy and B. M. Merin of book "Amerikanskiy neokolonializm na sovremennom etape (ekonomicheskiye aspekty)" [American Neocolonialism in the Present Stage (Economic Aspects)] by R. I. Zimenkov, Moscow, "Nauka", 1985, 248 pages]

[Text] The 80s are characterized by the further intensification of the struggle of the developing countries for change in the balance of power in the world capitalist economic system, for a new international economic order, for accelerated development, and for the consolidation of their sovereignty. The highly developed capitalist countries--the United States in particular--must reckon with the new realities and are forced to search for more flexible forms of external expansion in order to reach their objectives. Various aspects of U.S. neocolonial policy in Third World countries have been reflected in numerous basic researches by Soviet scholars. Nevertheless, the study of the latest trends in the economic policies of the "mother country" and the exposure of its attempts to restrain antiimperialist forces is still on the agenda. In this regard, the theme of R. I. Zimenkov's monograph, which presents a detailed analysis of the entire complex of contradictions between the USA and the developing countries in the 80s, seems especially timely.

The first section of the book examines economic relations between the USA and the developing countries. On the basis of a vast body of factual material, Zimenkov develops the convincing theory that after these countries acquire their political independence, their exploitation by imperialism continues and even intensifies, deforming the national economy in the process. The author emphasizes that "the inclusion of the developing countries in the modernized capitalist international division of labor is characterized by a profound contradiction between the need to overcome economic backwardness, the formation of the national reproductive process in young national states, and the preservation of the relations of dependence and exploitation which lead to the redistribution of the national income of the liberated countries on a growing scale in favor of U.S. monopoly capital and other developed capitalist countries (pp 20-21). This contradiction, as Zimenkov correctly shows, intensifies the tendency toward the restructuring of the entire existing

system of international relations and objectively leads to the radicalization of the foreign and domestic policy of even moderate regimes, to say nothing of countries with a socialist orientation.

The second part of the book examines in detail the basic forms and methods of U.S. economic expansion into the developing countries. In the author's opinion, regardless of changes in the foreign political situation, the export of private capital continues to be the principal instrument of U.S. international policy. Unlike the previous decade, primary attention is devoted to bilateral programs--"aid to development," "food for peace," "economic support fund," etc. Nor can one disagree that economic aid continues to be one of the levers for exerting political pressure. The administration of R. Reagan now openly supports reactionary regimes. There have been cuts in allocations to countries pursuing an independent course of development. Tighter commercial terms have been established for loans and credits (p 104).

In the third section of the book, Zimenkov analyzes the specifics of U.S. regional economic policy in Latin America, Asia, Africa, and the Near and Middle East. Chapter seven is of the greatest interest for readers interested in Latin American problems. The author shows that the export of capital in the form of direct investments is the basis for preserving and consolidating U.S. positions in Latin America. The author examines the activity of transnational corporations on the continent and notes that the traditional methods of exploitation are giving way to so-called productive cooperation between American and national capital and the formation of jointly owned companies. This creates the possibility of establishing covert control over national capital and of influencing the economic mechanism of regions in the nation.

Among the new phenomena noted by the author, we must not fail to mention change in the branch structure of direct U.S. capital investments which now have as their primary focus the most dynamic branches of industry--chemical, machine building, automotive, aircraft (p 139). The book correctly notes that under the conditions of the scientific and technological revolution, American monopoly capital is interested in a certain degree of modernization of the production apparatus of Latin American countries and in adapting it to the needs of the world capitalist economy. Side by side with the increased expansion of transnational corporations, the largest private U.S. banks have launched financial operations on an unprecedented scale. Between 1960 and 1983, there has also been a ninefold increase in U.S. trade with nations in the region (p 144). However, as the work notes, the expansion of trade is usually under conditions that are disadvantageous for the developing countries.

The fourth section of the monograph examines in detail the significance of international economic organizations in Washington's foreign economic expansion strategy as well as the place and role of the USA in UN economic organizations.

The study is based on the latest factual material. However, in its selection of sources, the monograph is somewhat onesided. It would have benefited if the author had made wider use of sources from the developing countries. In our view, the foreign debt problem should have been given more detailed, specialized treatment.

The book's merits make it useful not only for economists and political scientists but for the general reader as well.

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LATIN AMERICA AND CARIBBEAN

NEW SPANISH-RUSSIAN, RUSSIAN-SPANISH ECONOMIC DICTIONARY

Moscow LATINSKAYA AMERIKA in Russian No 5, May 86 p 133

[Review by A. R. of dictionary by S. N. Kosobchuk and M. A. Fatovskaya: "Kratkiy russko-ispanskiy i ispansko-russkiy ekonomicheskiy slovar" [Short Russian-Spanish and Spanish-Russian Economic Dictionary]. Moscow, "Russkiy yazyk", 1985, 228 pp]

[Text] For the first time in our country a short Russian-Spanish and Spanish-Russian economic dictionary has been published. It includes the most widely used terms in Soviet and foreign economic literature on political economics, industrial economics, agriculture, construction and transportation, foreign and domestic trade, currency circulation and credit, state finances, the currency system, international economic relations, etc. The authors have taken into account the specifics of economic terminology used in the different Latin American countries.

The Russian-Spanish section contains almost 5000 terms and the Spanish-Russian, approximately 4500. The dictionary is supplied with a useful foreword in which the most widely disseminated names of international economic organizations are given. Despite its small size, the dictionary will undoubtedly become a valuable asset for a wide circle of specialists.

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LATIN AMERICA AND CARIBBEAN

BRIEFS

PERUVIAN MAYOR IN UZBEKISTAN--Daniel Federico Estrada Perez, mayor of the Peruvian city of Cuzco, became acquainted with life in Samarkand, Bukhara, Khiva and Tashkent. He viewed their architectural monuments and regions of new construction. The guest met with activists of the Uzbek Society for Friendship and Cultural Relations with Foreign Countries. He signed a document which stated that starting now, Samarkand and Cuzco would become brother-cities. [Text] [Taskent PRAVDA VOSTOKA in Russian 10 Jul 86 p 1]

CSO: 1807/344

CHINA/FAR EAST/PACIFIC

REPORTS ON INCREASED SOVIET-CHINESE ECONOMIC TIES

USSR-Chinese Shipping Talks

PM091342 Moscow NEDELYA in Russian No 26, 23-29 Jun 86 (signed to press 25 Jun 86) p 4

/Sergey Dvigantsev report on statement by S.A. Kolyadko, deputy chairman of the "Sovfrakht" All-Union Association, under the rubric "Contacts and Contracts"; "In China's Sea Ports"---first paragraph is a NEDELYA introduction/

/Text/ A Soviet maritime delegation paid a business visit to the PRC. Delegation head Slava Aleksandrovich Kolyadko, deputy chairman of the "Sovfrakht" All-Union Association, spoke to NEDELYA about the visit's purpose and results.

Kolyadko: The last few years have seen a galvanization of trade between our countries and an expansion of maritime transportation. Vessels from the Black Sea Shipping Line deliver mineral fertilizers to Chinese ports and load corn and grains there. Vessels from the Far Eastern Shipping Line carry timber and metals.

Maritime transportation depends largely on the speed of ship handling in the ports. The term "handling" covers the piloting of ships inside the port's waters, loading and unloading operations, and delivery of foodstuffs and fresh water on board--all this is quite labor-intensive and exacting. These services are provided to foreign ships by the "Penavico" State Corporation, which is part of the PRC Ministry of Communications, acting as agent of the ship owners. It was mainly with this corporation's representatives that we had talks. "Penavico" is headed by Comrade Ling (Zuyu), vice minister of communications, who received our delegation. Let us note that all this work and the talks and meetings with the Chinese comrades proceeded in an exceptionally friendly atmosphere and favorable businesslike conditions. During our 2-week stay in China we managed to resolve numerous questions involving the expansion of cooperation. Our countries had previously agreed to open representative offices in Shanghai and Odessa. Shanghai is not only a major port but also a city with several million inhabitants with a rather acute housing problem; despite this, the Chinese side guaranteed that the premises to house the Soviet Maritime Representative Office will be ready on time. The talks were conducted in Beijing, the PRC capital; in addition, we visited five of China's seaports. We visited the northernmost port of Dairen, which ranks first in the handling of export

and import freight; Qinhuangdao, where the country's main coal and petroleum terminals are concentrated; and Nantung. We toured the container terminals at the port of Tianjin. We also visited Shanghai; the port's annual freight turnover is 100 million metric tons.

Specialists from our shipping lines who were included in the delegation noted that many operations in Chinese ports are mechanized and that there are promising developments in container transportation; it is planned to build about 120 new terminals and carry out a major reconstruction of the complex port economy. The organization of ports' work is interesting; some of them are operationally subordinate to the city authorities: For example, the chief of the port of Dairen is ex officio chairman of the City Executive Committee's Transport Committee and leads all transportation enterprises, including railway, road, and air transport.

We drove past rice paddies along the road to Nantung. All fields are meticulously looked after, with all the weeds that have been pulled out stacked along the boundary lines. The Chinese crop farmers are working conscientiously and welcomed us hospitably.

Export-Import Cooperation to Resume

OW301140 Moscow in Mandarin to China 0200 GMT 29 Jun 86

/Text/ The Soviet Union and China have resumed cooperation in shipping export and import commodities. An agreement signed during a recent visit to China by a delegation from the Soviet Ministry of Maritime Fleet has further promoted cooperation in this field.

(Luchavtsov), deputy director of the Black Sea Maritime Bureau, visited China as a member of the delegation. In an interview with our station reporter, he said: Soviet vessels transport cargoes to 15 Chinese ports. The Soviet merchant ships deliver timber, mineral fertilizers, and metals from the Soviet Far East and transport farm products and salt back from China. In view of the increasing freight volume, the Soviet delegation signed an agreement with the Ocean Shipping Agency in Beijing, which is in charge of providing services for foreign vessels. According to the agreement, a Soviet and Chinese shipping office will be set up respectively in Shanghai and Odessa, a major port in the Soviet Black Sea.

In conclusion, (Luchavtsov) said: It was indeed gratifying that meetings and contacts with Chinese comrades were conducted in an earnest and friendly atmosphere. All our questions were answered in detail, showing the Chinese side's desire for expanding shipping cooperation. After the meetings, we reached an accord with the Chinese side, which stipulates that logistic services for Soviet merchant vessels will be initiated in all Chinese ports beginning from the month of June, and that the Soviet merchant ships' nonproductive berthing time in Chinese ports will be greatly reduced. The accord will facilitate further increase in the two-way freight volume between our two countries.

Chinese Ecologist in Moscow

OW72202 Moscow in Mandarin to China 0700 GMT 7 Jul 86

/Text/ China's ecologist, Professor (Wang Minrong) said: The Soviet Union attaches great importance to ecological issues. He made this remark when he attended the international environmental protection meeting held in Moscow. The fresh air in the Soviet capital and the clean water in the Moscow River have deeply impress him. (Wang Minrong) said: The Soviet Union and China are able to exchange their experiences in ecological studies. He also praised the efforts made by the Soviet Union in the development of ecological engineering.

Cinematography Cooperation Established

LD071847 Moscow Domestic Service in Russian 1500 GMT 7 Jul 86

/Text/ The signing of the working plan of cooperation for the years 1986 and 1987 between the USSR State Committee for Cinematography and the PRC Ministry of Radio, Cinematography, and Television took place in Moscow today.

In an interview for our correspondent, Lidiya Sechenova, Ding Qiao, the head of the Chinese delegation, said:

/Begin Ding recording in vernacular with superimposed Russian translation/
I think that the most important distinguishing feature of this plan of cooperation in the field of cinematography consists in the fact that it is realistic and easy to fulfill. Good beginnings have been laid for businesslike ties. These will help our peoples to get to know each other better. During this period we shall exchange retrospective showings of old films of Soviet and Chinese cinematography, between 20 and 30 films.

Film weeks will be staged. The Beijing Film Institute will receive as a gift 10 classic Soviet films as well as the curricula of the State Cinematography Institute. Cinematographers from China will take part in an international film festival to be held in Moscow next summer.

It should be said that our viewers like Soviet films. Films such as "Moscow Does Not Believe in Tears", "The War Romance", "A Station for Two", "The Dawns are Quiet Here" have evoked a great deal of interest among them.

As for us, we are currently showing a film made by our young director U In Syan. In his work, he devotes much attention to the transformations currently taking place in China's life. The premiers of this film, "The Tramp and the Swan" will take place in the "Moskva" cinema-theater in the evening and we hope that the discerning Moscow public will find it to its liking.

/12228

CSO: 1807/333

CHINA/FAR EAST PACIFIC

TWO VIEWS OF JAPAN-USSR RELATIONS EXPRESSED

Alleged Japanese Attack Planned

PM100942 Moscow NEW TIMES in English No 26, 7 Jul 86 p 17

[L. Mlechin article: "The Kurils the Target"]

[Text] The command of the Self-Defense Forces and the American troops on the Japanese islands have other things on their minds than summer holidays. They have a tight schedule. At the end of July "comprehensive exercises in the strategic movement of troops" to Hokkaido are to begin. For August a joint exercise of the Self-Defense Forces and a U.S. naval task force headed by the battleship New Jersey is scheduled. According to the ASAHI, the battleship will carry Tomahawk cruise missiles with nuclear warheads. The exercise, the paper says, will be to a large extent a "demonstration of strength in the area of Vladivostok" and will assume a "provocative anti-Soviet character."

What is the purpose of the exercises? The armed forces of the two countries are working on plans for a joint invasion of the Kuril Islands, Sakhalin and the Soviet Maritime Territory, writes AKAHATA, citing government and military sources in Tokyo. The proposed landing in the Kurils is included in the program for a Japanese-American operation "to ensure control" over the northwestern Pacific. A strike at the Soviet Far East proper, General Paul Kelley of the U.S. Marine Corps has admitted, is projected in the event of hostilities breaking out in any part of the world. Who would deliver that strike? In the opinion of the Tokyo Strategic Research Center, either the American and Japanese armies together or the latter independently. Japan, it is reminded from Washington, will have to enter the war simultaneously with the U.S. even if the Japanese islands were not attacked.

In the recent period the area of the U.S. bases on Hokkaido--in close proximity to the Soviet Union--has increased threefold, and Tokyo is moving one army formation after another northward, as if rehearsing a thrust. It looks as if the Year of the Tiger has had too strong an effect on some Tokyo strategists.

Improved Ties Seen

OW050559 Moscow in Japanese to Japan 1000 GMT 3 Jul 86

[Yuriy Afonin Commentary: "From Dialogue to Cooperation"]

[Excerpts] The resumption of political dialogue between the Soviet Union and Japan was regarded as one of the urgent tasks in their bilateral relations up to last year. However, this dialogue is now becoming a reality. This has been verified by mutual visits exchanged by the foreign ministers of the two countries in the first half of this year.

The practice in Soviet-Japanese relations includes an exchange of letters between the two countries' leaders. When new Soviet Ambassador to Japan Solovyev met with Foreign Minister Abe on 1 July, the ambassador delivered CPSU Central Committee General Secretary Gorbachev's letter to Prime Minister Nakasone. It was a reply to Prime Minister Nakasone's letter delivered to General Secretary Gorbachev in late May by Foreign Minister Abe during his official visit to the Soviet Union.

The exchange of letters between the top leaders is gratifying. It reflects the fact that the atmosphere in Soviet-Japanese relations is improving remarkably and helps further strengthen this tendency. This is of important significance because mutual visits by the top leaders are now appearing on the day's agenda. The CPSU general secretary and the Japanese prime minister have been invited to visit Japan and the Soviet Union, respectively. Although no decision has yet been made on the specific dates of their visits, it is no exaggeration that the development of the situation is now moving in the direction of their realization.

In this connection, General Secretary Gorbachev said in his letter that it may be possible for him to visit Japan in the near future, adding that the Soviet Union would welcome the Japanese prime minister's visit.

In his letter to Prime Minister Nakasone, General Secretary Gorbachev positively evaluated the two rounds of Soviet-Japanese foreign ministers' talks held this year.

Judging from statements made by leaders of the Japanese government, the Japanese side also seems to be coming up with similar evaluations. This is no coincidence. Through their mutual visits, the foreign ministers of the two countries were given the opportunities to have frank and sincere dialogues on matters of concern to all countries of the world as well as of mutual concern. As a result, concrete results were produced.

Last January, a new 5-year trade agreement and a dual taxation prevention treaty were signed in Tokyo; and in May, an agreement on cultural exchanges was signed in Moscow. On 2 July, verbal notes [kojogaki] on an agreement reached between the two governments concerning conditions for visits to Japanese graves in the Soviet Union and Russian graves in Japan were exchanged

at the Soviet Foreign Ministry in Moscow and the Japanese Foreign Ministry in Tokyo. This can be regarded as a fruit of the mutual visits.

These actions open up new possibilities for expanding and deepening the relations between the two countries. Should this tradition develop further in the days ahead, Soviet-Japanese relations would become richer in content in broader areas. In turn, this is certain to further deepen mutual understanding and confidence between the people of the two countries.

Naturally, the resumption and development of political dialogue between the two countries do not mean that the differences in their positions on important issues in current world developments have already been eliminated or reduced. These differences have their roots in the distant past or are deeply associated with the socioeconomic systems and military-political structure of the present world.

Nevertheless, the significance of Soviet-Japanese dialogue lies in the fact that it provides the possibility for expanding the areas in which the two countries can bring their views on pressing international issues closer. To redouble the areas in which the two countries find their views closer from a realistic position helps lay the foundation for the progressive development of bilateral relations.

The prevention of nuclear war and the strengthening of international peace are realistic, concrete areas that call for cooperation between the Soviet Union and Japan. There is nothing to lose from such cooperation, and the people of the two countries and all mankind will profit from it. This cooperation will further enrich the dialogue between the Soviet Union and Japan and benefit the development of bilateral relations.

The Soviet side has many times expressed its readiness to take joint action with Japan for the peaceful future of the world. General Secretary Gorbachev's latest letter to Prime Minister Nakasone gives substance to this.

/12858

CSO: 1812/146

BRIEFS

CHINESE-PORTUGUESE TALKS ON MACAO--Beijing July 1 TASS--A communique was released here today on the first round of the talks between the government delegations of the People's Republic of China and Portugal on resolving the issue of Aomen (Macao). The sides agreed on the agenda of the talks and decided that their second round would be held in Beijing in September, 1986. Aomen is the Chinese territory in the mouth of the Zhujang River covering a total of 16 square kilometers which was leased by Portuguese traders in 1555 and later, in 1850, was proclaimed by Portugal its colony. More than 400,000 people currently live in Aomen, the majority of them being Chinese. It is recalled here that following lengthy talks a joint declaration of the governments of the Chinese People's Republic and Britain was signed in 1984 on Hsiang Kang (Hong Kong) under which this territory in the south of China administered by the British governor is to pass over under the sovereignty of the People's Republic of China on July 1, 1997. [Text] [Moscow TASS in English 1735 GMT 1 Jul 86] /8309

CSO: 1812/141

MIDDLE EAST/ NORTH AFRICA/ SOUTH ASIA

SOVIET ECONOMIC, TECHNICAL AID TO ETHIOPIA

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, 1986
pp 87-92

[Article by Anatoliy Kavardin, CEMA Secretariat, under the "Economic Ties of CEMA Member Countries with Other Countries" rubric: "Aiding the Development of Socialist Ethiopia"]

[Text] Socialist Ethiopia, situated in North East Africa, is one of the largest states on the African continent. Its territory occupies an area of 1,221,900 square kilometers, two-thirds of which is comprised of the Abyssinian uplands. It has a population of 32,800,000.

Ethiopia is an agrarian country. Its principal commercial product is coffee. Ninety percent of the population is engaged in agriculture. Natural resources have not been thoroughly studied. There are enterprises of the textile, food, and a number of other processing industry sectors. The population's living standard is low.

The relations of the fraternal countries with Socialist Ethiopia clearly demonstrate the advantages of consistently pursuing such democratic principles of international economic relationships as mutual benefit, repudiation of discrimination and other artificial restrictions, and planned, over-all development.

The collaboration of the CEMA member countries with socialist Ethiopia began in 1959. Even during its first stage, the states of the socialist commonwealth participated in the construction of a number of projects which have important nationwide significance for Ethiopia.

In 1967, a plant for the processing of 625,000 tons of crude petroleum annually was built in the city of Assab. Later, by virtue of equipment modernization, its productive capacity was increased to 800,000 tons. At the present time, the enterprise is being retooled in order to raise the processing of petroleum to one million tons annually. The plant produces 12 types of petroleum products,

including gasoline, kerosine, diesel and jet fuel, mazut, liquefied gas, and others. For many years, the plant has satisfied the country's needs for petroleum products. A thermal electric power plant with a capacity of 13,500 kwh and a residential village for workers and employees have been built at the project.

In 1967, as a gift, the USSR presented Ethiopia with a polytechnic institute for 1,000 students, which the Soviet Union built and equipped. Following their own study programs, Soviet teachers are training highly qualified local specialists, as well as a teaching staff for the institute.

At the end of the 1960s and the beginning of the 1970s, the CEMA member countries supplied a considerable quantity of foodstuffs, medicines, and various kinds of machinery and equipment. Suported by state credits extended to Ethiopia on favorable terms, a plant producing automobile tires and a shoe factory have been built in Addis Ababa with the assistance of Czechoslovakia; Poland has helped to build a plant for production of metal tools and agricultural equipment in Addis Ababa; Hungary has helped build a flour mill with a daily capacity of 30 tons of flour. These projects have made a fundamental contribution to the production of industrial output in the country. Thus, in the beginning of the 1970s, the relative share of manufactured products produced at processing industry enterprises came to about 30 percent.

Ethiopia's new leadership, which came to power as a result of the 1974 revolution, charted a course of deep social and economic transformations. Industry was nationalized and agrarian reform was instituted in the country.

A new stage in the development of economic and technical collaboration of the CEMA member countries with socialist Ethiopia began in 1978.

In March 1978, Ethiopia was visited by a delegation from the CEMA Secretariat, which familiarized itself with the status of various sectors of the economy and with plans for their development. On the basis of the delegation's recommendations, the CEMA member countries gave consideration to questions of economic and technical collaboration with socialist Ethiopia and approved a decision to provide urgent help in transporting goods to the country's interior regions from the port of Assab, where large amounts of grain, foodstuffs, agricultural machinery and other goods had accumulated in connection with a break in rail communication. The countries of the commonwealth sent Ethiopia hundreds of trucks, along with mechanics, fueling personnel and teams of drivers, who quickly moved the thousands of tons of freight necessary to meet the requirements of the country's industry, agriculture and population. In October 1978, the country announced the beginning of a long-term National Revolutionary Campaign of Economic Development (NRKR). A Higher Central Planning Council was established to prepare short and long-term economic development plans.

In January 1979 the first annual plan for development of the country's economy was approved. Its purpose was to raise industrial production and to develop agriculture through implementation of agrarian reform regulations and a program of

peasant cooperation and by eliminating illiteracy.

As a result of fulfilling this plan, the country's industrial production grew by 35.5 percent in comparison with 1978 and agricultural production increased by 2.4 percent. 82,000 hectares of virgin land were developed and sown and more than 85,000 tons of coffee -- Ethiopia's most important export crop -- were grown and sold abroad.

The tasks of the second and subsequent stages of the NRKR included accelerating economic development and creating the basic elements of the material and technical base by increasing production of consumer goods, strengthening the relationships of industry and agriculture, increasing the role of the state sector in the economy, developing cooperation in agriculture and in small-scale and handicraft industries, improving the system for the sale and purchase of agricultural products, and also the system for centralized planning of the economy.

By 1982, positive shifts were noted in the development of Ethiopia's economy. The position of the state sector had been consolidated, primarily in industry where enterprises having 10 or more workers belong fully or partially to it. In 1982, more than 64 percent of all industrial output was produced at 158 state and mixed enterprises. In the countryside, about 20,000 peasant associations, uniting more than five million peasants, were established, along with about 4,300 consumer cooperatives having more than 4,600,000 members.

One of the principal strategic directions of the 10-year development plan, approved in 1984, consisted of strengthening the relationship of industry and agriculture, with a leading role assigned to cooperatives. In agriculture, much attention is being given to increasing animal production (meat and hides) and to the area of social development -- to utilizing of labor resource and to expanding the public health network. A national campaign to eliminate illiteracy is continuing in the country.

In carrying out these revolutionary transformations, the government of socialist Ethiopia constantly relies on the experience and support of the CEMA member countries, which have given and continue to give unselfish assistance at all stages of struggle and of building a new Ethiopia.

A characteristic of the economic and technical collaboration of the CEMA member countries with socialist Ethiopia is the complex approach being taken to solution of the most important problems of Ethiopia's social and economic development. The CEMA member countries are helping Ethiopia in creating a fuel and power and a raw material base by surveying and developing natural resources.

Soviet specialists are carrying out geological survey operations for solid mineral resources in the region of Adolla and for oil and gas in Ogaden and are

building an oil storage facility with a capacity of 65,000 cubic meters.

The fraternal countries are providing various kinds of assistance in the development of agriculture: in raising cotton, grains, grapes, tobacco and coffee. A great deal of work is being done in irrigating arid lands, roads are being laid to outlying agricultural regions and agricultural complexes are being created. The CEMA member countries are helping to equip Ethiopia's agriculture with tractors, combines, and other modern agricultural equipment.

Thus, with USSR assistance, a tractor assembly plant has been built in the city of Nazret where, since 1984, 1,000 MTZ-80/82 tractors have been assembled annually from assemblies and parts provided by the USSR. Planning and survey operations for manifold development of the lands in the Baro and Akobo river valleys are being carried out free of charge. Six central workshops are being constructed to repair tractors and agricultural machinery (each of which will handle 500 repairs a year). Plans are being developed to create machine-tractor stations and points for processing and cleaning grain. Planning and survey work is underway for building an earth dam on the Alvero River, for creating an irrigation system and for developing 10,000 hectares of land in the region of Gambela.

Soviet phytopathologists -- specialists in the protection of vegetation -- have been working in Ethiopia since 1974. A scientific phytopathological laboratory was opened there in 1977. It is equipped with modern Soviet equipment. Among the instruments, there is an electron microscope, the only one in East Africa. The Soviet scientists are helping to protect plants from disease, pests and weeds and in the training of local personnel in this field. The importance of this work can be judged from the single fact that Ethiopia loses 30 percent and more of its harvest every year because of plant disease and because of pests. The research of the laboratory's scientists encompasses all of Ethiopia's basic agricultural crops -- wheat, barley, grain legumes, pepper, potatoes, corn, and others.

In the laboratory, experiments are being conducted on 4,000 types of wheat and barley, including 500 local and 300 Soviet types. The Soviet scientists are devoting special attention to the introduction of drought-resistant types of grain crops. Great significance is being given to developing potatoes which can be widely grown in Ethiopian conditions. Work is being done on the introduction of scientific data into the everyday practice of the country's agricultural cooperatives, and equipment and materials are being supplied for the construction of grain warehouses having a total capacity of more than 300,000 tons and six refrigeration installations with a capacity of 4,100 tons.

East Germany has supplied Ethiopia with 1,000 tractors and, in 1985, a brigade of machine operators from the Union of Free German Youth helped to gather the harvest in the southern regions of the country, using combines imported from the

GDR. Germany is extending Ethiopia favorable commercial credits for the import of tractors, earth-digging equipment, machinery and equipment for harvesting grains and feeds and for dairy farms, as well as pumping stations for irrigating and draining the land.

Bulgarian specialists are providing assistance in planning and supervising the construction of small reservoirs and irrigation systems and in the organization of agricultural scientific institutions and state agricultural farms.

The Republic of Cuba is taking part in the construction of infrastructure projects-- roads, reservoirs, pumping stations, and irrigation systems -- and in the planning and construction of small dams. Cuba is also helping to organize state farms for growing sugar cane and to create a veterinary service, and is also supplying laboratories with animal vaccines, with chemical preparations to diagnose cattle diseases, with equipment for artificial insemination of animals, etc.

With the assistance of Czechoslovakia, grain warehouses are being built in Kokeba and Avassa and proposals are being developed for the construction of a meat combine in Addis Ababa.

In 1984, like a number of other African countries, Ethiopia suffered a severe drought. Twelve of her 14 administrative districts (about 7 million people) suffered. The 1984 harvest 30 percent lower than previous years.

The CEMA member countries responded without hesitation to Ethiopia's request for aid in connection with the drought. Ships and planes were sent to Ethiopia, delivering cost-free wheat, rice, flour, sugar, canned goods, milk products, medicines, clothing, tents, cloth, motor vehicles, water pumps, drilling installations and other equipment for finding and transporting water, for creating irrigation systems, for watering the land and for constructing wells. And they temporarily assigned their specialists to help the population. Among them were medical personnel, drivers, pilots, irrigation specialists, water geologists, construction workers, and agricultural specialists. More than three-quarters of all shipments for the victims of the drought were carried by the transportation facilities of the CEMA member countries. By the beginning of 1985, essential products had been provided to 5 million inhabitants of the drought regions.

The drought, enveloping most of Ethiopia's provinces, introduced a correction to realization of the 10-year plan for the country's economic development. However, the determination of the people of Ethiopia to overcome all difficulties and the constantly developing economic and technical cooperation of Ethiopia with the lands of the socialist commonwealth stand as a promise that it will be fulfilled.

To create an all-round, developed national economy in Ethiopia, the CEMA member countries are providing assistance in the creation and development of her metal-working, light, wood-working, and chemical sectors, the building materials industry, enterprises producing ceramics and pottery for everyday use, the construction industry, ore mining, and others. The large projects

include a textile combine in Kambolcha, built with the help of East Germany and Czechoslovakia, that has a capacity of 20 million square meters of fabric a year. After it is put into operation and reaches its planned capacity, Ethiopia will completely satisfy its requirements with textiles it produces itself. The GDR and the USSR are helping Ethiopia to build cement plants and to increase the capacity of state construction organizations.

With Czechoslovakia's assistance, a large brewery, with a capacity of 200,000 gallons per year, has been built in the city of Harar.

Altogether, during the years of cooperation, 30 industrial projects have been completed with the participation of the CEMA member countries and another 40 are under construction at the present time.

Particular attention is being devoted to the training of Ethiopian personnel, both in the process of building projects and placing equipment into operation and at specialized trade schools, built and equipped in Ethiopia with the assistance of the CEMA member-countries.

Working hand in hand with the Ethiopians, 1,500 specialists from the fraternal countries are participating directly in the construction of national economic projects.

At the present time more than 7,000 Ethiopian citizens are studying at higher and secondary specialized educational institutions in the CEMA member countries. During the past 5 years alone, more than 2,500 persons received diplomas upon completion of higher and secondary specialized education and more than 600 people were trained as skilled workers. These specialists are fruitfully employed in various sectors of the economy, actively participating in the country's progressive transformations.

Along with bilateral collaboration, the countries of the socialist commonwealth, by means of forming cooperatives, are providing assistance on a multilateral basis as well. An example of such mutual assistance is the Melka Wakana hydraulic development, which is being built with the participation of the USSR and Czechoslovakia. The largest project in Ethiopia, it includes a hydroelectric power plant with a capacity of 153,000 kw, a dam with a reservoir that will make it possible to revive hundreds of thousands of hectares of desert lands, and electric power lines stretching 225 kilometers. By 1985, the majority of construction base projects had been put into operation at the complex and Soviet, Czech and Ethiopian specialist are now working together, building its basic units.

The collaboration of the CEMA member countries and of the Council of Economic Mutual Assistance itself with socialist Ethiopia is playing an outstanding role in the development of Ethiopia's economy. A number of important international

documents lie at the basis of Ethiopia's broad and multilateral mutual relationships with the socialist commonwealth. Among them are treaties on friendship and cooperation, declarations fixing the principles of the relationships, and agreements and protocols regarding economic, trade, scientific and technical, and cultural ties. Bulgaria, Hungary, Cuba, Romania, the USSR and Czechoslovakia have established intergovernmental commissions on economic and scientific and technical cooperation and on trade with Ethiopia. Their activity is helping to consolidate and specify the various kinds of relations between the fraternal countries and Ethiopia. For a number of years, representatives of Ethiopia have been participating as observers in the work of the CEMA Session.

The Ethiopian revolution has achieved great successes. The authority of socialist Ethiopia has increased on the African continent, in the UN and in the Nonaligned Movement. Ethiopia is decisively turning back attempts by the imperialist powers to create centers of tension in various regions of the world, is playing an outstanding role in the Afro-Asian and Afro-Arab solidarity movements, is an active fighter for the full elimination of colonialism, racism and apartheid, and is exerting a positive influence on the establishment of good neighborliness and the normalization of relations among the countries of Africa.

Under the direction of the Party of the Working People of Ethiopia, the laboring people of socialist Ethiopia are fully determined to overcome all difficulties and to carry the socialist transformations in their country to a victorious conclusion. For this struggle, Ethiopia is receiving experience and support in broad political and economic collaboration with the member countries of CEMA, with all the world's progressive forces, and is confidently pursuing its chosen path.

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CSO: 1825/81

MIDDLE EAST/NORTH AFRICA/SOUTH ASIA

AFGHAN CHILDREN VACATION AT PIONEER CAMPS IN KIRGHIZ SSR

Frunze SOVETSKAYA KIRGIZIYA in Russian 26 Jul 86 p 1

[Text] On 25 July, on a special flight from Kabul to Frunze, 200 children from the Democratic Republic of Afghanistan arrived for vacation at a pioneer camp. This is the third year in a row that Afghan children are coming to Kirghiziya for vacation.

At the "Manas" airport the state flags of the USSR, the DRA and the Kirghiz SSR were raised. In the hands of those greeting the children--representatives of party, trade union and Komsomol organizations of the republic and groups of pioneers--are flowers, slogans of greeting and signs.

Directly from the stairs of the plane the young Afghans landed in the warm embraces of their Soviet counterparts. The language barrier did not hinder the first acquaintance, the words of greeting extended to each of the children. The majority of the Afghan boys and girls who arrived were children of patriots who fought against the dushmans or died in the struggle against enemies of the revolution. It was not by hearsay that they were familiar with the whistle of bullets or the roar of exploding shells.

The secretary of the Kirghiz Trade Union Council A. Omurova opened the short meeting. She emphasized the indestructible friendly ties between the Soviet Union and Afghanistan and wished the Afghan children a pleasant vacation in the pioneer camp. Lena Semkina, a Frunze schoolgirl, greeted the guests in the name of the republic's pioneers.

The leader of the Afghan delegation, Hafiz, thanked the greeters for their heartfelt reception and noted that the invitation to the Afghan children to vacation in the Soviet Union was a clear confirmation of the friendship between the peoples of the two countries.

The Afghan children's vacation will last a month at the "Stroitel" pioneer camp and every day will be filled with contests, games, competitions and activities in circles and clubs. The Afghan children will get acquainted with the republic's capital and the city construction chiefs, as well as artists, film actors and children's writers from the republic will visit them.

TUNISIA, SOVIET UNION SIGN LAW TREATY

[Editorial Report] Moscow VEDOMOSTI VERKHOVHOGO SOVETA SOYUZA SOVETSKIKH SOTSIALISTICHESKIKH RESPUBLIK in Russian No 28, 9 July 1986 carries on pp 491-502 the a 24,000-word text of a treaty titled "Treaty between the Union of Soviet Socialist Republics and the Tunisian Republic on Legal Aid in Civil and Criminal Affairs" which provides for cooperation between the two countries in different areas of law. The first section presents a general statement of principles and names the negotiators, Boris Vasilevich Kravtsova and Mokhammed Shakera, Ministers of Justice from the Soviet Union and Tunisia respectively. The second section on civil affairs discusses the rights of a citizen from one of the countries when residing in the other country. The section also provides for cooperation in reference to the exchange of information on each other's laws. The third section outlines the procedure for extraditing criminals to the other country to stand trial for their crimes. The treaty was signed in Moscow 26 June 1984. It was then ratified by the Presidium of the Supreme Soviet 25 July 1985 and by the Tunisian Republic's House of Representatives 5 July 1985. The Instruments of Ratification were exchanged in Tunis 14 April 1986.

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